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(6) **THE PHILIPPINE BASES:
CONTINUING UTILITY IN A CHANGING
STRATEGIC CONTEXT,**

by

(10) **Dr. Lawrence E. Grinter**

**Research Consultant
Research Directorate**

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FOREWORD

Since World War II, a network of US military bases in the Western Pacific and East Asia has served to support American and allied strategic interests in the Pacific Basin. A key component of the network has been the US bases in the Philippines, notably Clark Air Base and Subic Bay Naval Base.

In this monograph, Dr. Lawrence Grinter reassesses the utility of the Philippine bases in furthering US and allied security objectives. Although he examines several contending points of view, he focuses on the potential advantages of the bases for projecting power into the Indian Ocean and on the proximity of the bases to the geopolitically sensitive straits of Southeast Asia, through which massive quantities of petroleum and other materials are channeled daily. In an oil-dependent and economically interdependent world, such geostrategic considerations warrant close examination.

Given the projected strategic value of the Philippine bases—perhaps for different reasons than those prevailing in the earlier postwar period—issues regarding the Military Bases Agreement and the Mutual Defense Treaty become significant. Dr. Grinter concludes his study with specific suggestions for renegotiating certain aspects of these formal agreements, with the ultimate purpose of strengthening the security of both the United States and the Republic of the Philippines.

R. G. GARD, JR.
Lieutenant General, USA
President

ABOUT THE AUTHOR

DR. LAWRENCE E. GRINTER wrote this monograph while a Research Consultant at the National Defense University. He is presently a faculty member at the Air War College at Maxwell Air Force Base, Montgomery, Alabama. He also was a Post-Doctoral Fellow and Project Manager at the Foreign Policy Research Institute, Philadelphia, and a Visiting Professor at Haverford College in Pennsylvania. Among his many previous assignments, he also served with Field Research, Simulmatics Corporation in Saigon, Vietnam, and with the Peace Corps in Sierra Leone. Dr. Grinter received a bachelor's degree in mathematics at the University of Florida, and master's and doctoral degrees in political science at the University of North Carolina.

INTRODUCTION

This study appraises the utility of the major military bases at Subic Bay and Clark Air Base in the Philippines to US interests and other allies' interests and military requirements in the Western Pacific and the Indian Ocean. It explores the assumptions underlying three contending views about US interests in East Asia, Southeast Asia, and the Indian Ocean, and their implications for American and allied security policy. These contending views are: the Forward Strategy Concept, which assumes the United States should have military power in Southeast Asia to influence events in Southeast Asia (Chapter I); the fallback option to Guam and Micronesia, which argues that US interests in East Asia lie in Northeast Asia and therefore a forward military presence in Southeast Asia is not relevant (Chapter I); and the Sea Lines, Oil Route, and Indian Ocean Connection, which would retain the US military presence in Southeast Asia in order to project power into the Indian Ocean and to reinforce Northeast Asia (Chapter II).

The study then examines the interests of and the current relationship between the United States and the Philippines, their respective negotiating postures, and the issues between each government concerning the bases in the Philippines (Chapters III and IV). The January 1979 amendments to the Military Bases Agreement are appraised for relevance to American interests and military strategy for the 1980's and 1990's, and recommendations are made for future relationships and policy in this area (Chapter V).

I. US INTERESTS AND STRATEGY IN SOUTHEAST ASIA AND THE WESTERN PACIFIC: TWO CONTENDING VIEWS

BACKGROUND

Since the end of the 19th century, when the Philippines and Guam were acquired from Spain as a result of the war of 1898, the United States has been a significant power in East Asia and the Pacific. Involvement in China before and after the Philippine Acquisition, provision of US good offices to Russia and Japan to settle the Russo-Japanese War of 1904-1905, attempts to limit Pacific naval armaments competition in the 1920's, the massive campaign against Japanese aggression in the 1940's, and subsequent involvements in Korea and Indochina underscored US policy in the Asian/Pacific region.

Thus, *US involvement in the region has a relatively long history. However, the extensive US forward-basing network in East Asia, like the forward-basing system in Europe, traces its history only to the Second World War when, following hard campaigning, the United States pushed forward to bring its military force directly against Japan.* The end of the war saw American and Allied occupation and administration of captured enemy territory. In 1945, the United States controlled hundreds of facilities outside its territory. To maintain supply lines to overseas occupation forces, the United States required continued use of many of these installations despite demobilization in the immediate postwar era. Then, as US-Soviet relations steadily deteriorated in Europe and the nationalist government in China faltered, the United States sought to retain and redevelop overseas facilities that were in decline. Bases that had served to launch attacks against Germany and Japan became critical to "containing" an expansionist postwar Soviet Union and People's Republic of China.¹

At the end of the war in the Pacific, the United States had direct responsibility for the administration of Japan, the southern half of Korea, the Ryukyus Islands, the Philippines, Guam, and the Micronesian Islands (which were later mandated to the United States under United Nations authority as the Trust Territory of the Pacific Islands—TTPI). Following Chinese intervention in the Korean War in October 1950, the United States sought formal alliances with critical Asian countries in which American troops

were stationed during or following World War II. The United States signed bilateral defense pacts with the Philippines in August 1951, Japan in September 1951 (later superseded by a new treaty in January 1960), the Republic of Korea in October 1953, and the Republic of China on Taiwan in December 1954. The Australia-New Zealand-US (ANZUS) pact was signed in September 1951. In September 1954, following the French defeat in Indochina, the Manila Pact was signed and the Southeast Asia Treaty Organization (SEATO) was established. Each of these four bilateral and two multilateral treaties stipulated that an armed attack on any of the parties would endanger the United States own peace and safety, and that each party was obligated to "act to meet the common danger in accordance with its constitutional processes."²

Generally the United States has not pledged *specific* numbers of forces to the defense of its Asian/Pacific allies, as it has done to the defense of NATO countries. But every US administration has stated that it will keep sufficient forces in the Asian/Pacific region to maintain "stability" and a "balance of power."³

The baseline for US force deployment in the Asian/Pacific area has tended to be about 180,000 personnel ashore and afloat. (At the time of Pearl Harbor the United States had approximately 160,000 troops in East Asia and the Pacific.) At the end of the war (not counting the China-Burma-India theater), over 3 million US personnel were deployed in the region. This figure quickly fell to the 180,000 level through demobilization, only to rise during the Korean war to 650,000 by its end, of which over 325,000 were in Korea. By the start of the Kennedy administration's involvement in Vietnam, total US forces in Asia were back down to about 185,000. However, during the Vietnam war, levels eventually rose to over 855,000. At the time of President Nixon's June 1969 Guam speech, there were about 535,000 US troops committed in Vietnam and 48,000 in Thailand. By mid-1975, US forces in Asia and the Pacific had dropped to about 175,000. By the end of 1978, additional withdrawals from Thailand, Korea, and Taiwan and some reductions in 7th Fleet personnel reduced these forces to less than 130,000, ashore and afloat, the lowest figure since 1939.

If President Carter removes all US ground combat forces from South Korea, US forces in the Pacific will drop to approximately 115,000—less than one-seventh of our force levels when the Vietnam withdrawals began in 1969. In short, by 1979 the United States

was operating at the lowest level of troop presence in Asia and the Pacific in 40 years, but commitments, which require a forward-based presence to be credible, were still stated as being firm and essentially unchanged.⁴ Within this context of a fluctuating US presence, let us now examine the three contending concepts for the region.

THE FORWARD STRATEGY CONCEPT

Assumptions

The case for forward military deployment and an active US strategy in East Asia, particularly in the region's southern portions—Southeast Asia and the Western Pacific—rests on these assumptions or assertions:

- Southeast Asia and the Western Pacific constitute an area of important US interests.
- The area is insecure due to threats posed by Communist activities or unstable local governments.
- The United States can effectively influence and stabilize events in Southeast Asia by maintaining a forward-based, offshore military presence.
- The geographic containment and political-military isolation of Asian communism and other destabilizing elements are facilitated by the presence of US military power in the area.
- US military presence in allied Asian/Pacific countries signals an intention to play a continuing role, and develops mutual understanding with host governments of capabilities and intent.
- A forward-defense strategy in the Asian/Pacific region requires that the United States operate out of facilities adjacent to the Asian mainland (principally Japan and the Philippines). This base structure provides a flexible, in-place, quick-reaction capability to deploy forces in contingencies and allows a "force multiplier effect," because fewer ships and planes are needed to provide an equivalent force presence than if forces were restricted to the continental United States or US Pacific territories.

- In peacetime these bases house intelligence activities (often integrated with indigenous countries' commands), training areas, and logistics support—all necessary to keep US forces in a high state of readiness.

Requirements

The forward-basing strategy requires full maintenance of Japanese bases, in particular at Yokosuka, Sasebo, and Okinawa, and Philippine bases at Subic Bay and Clark Air Base. During the height of the Vietnam war use of these bases was augmented by heavy reliance on Guam, the US Pacific island possession 1,500 miles east of the Philippines, and by the large air and naval base complex in Thailand (as well as the major base structure in South Vietnam). **Once the United States began withdrawing from South Vietnam and Thailand, the minimal basis for a forward strategy in Southeast Asia became retention of Subic and Clark in the Philippines. These two large installations, plus three others in the Philippines, add up to a major military complex by any definition. (See Appendix A for a description of the facilities.)**

The United States forward strategy in East Asia has had a northern and southern wing: Japanese bases and facilities in Northeast Asia satellited with Korean bases and Republic of China facilities (the latter being evacuated in 1979 and 1980); and Philippine bases in Southeast Asia backed up by Guam and, until mid-1975, by facilities in Thailand. The symmetry is partially contrived, because American interests are more critical in Northeast Asia (where the four major powers' interests intersect) than in Southeast Asia. Nevertheless, power projection into the South China Sea and from there into the Indian Ocean is clearly facilitated if the United States can deploy out of the Philippines rather than Guam or Japan. Moreover, spreading the US force presence across two primary countries—Japan and the Philippines—rather than only one, has been seen as a hedge should problems develop with either country politically, economically, or logistically. Thus the dualism in the basing structure, which allows mutual reinforcement, is also a kind of contingency plan.

Evaluation

The assumption that Southeast Asia constitutes an area of important or major US interests is not convincing. Intrinsic (as

distinct from derived or secondary) American interests in East Asia focus on Northeast Asia, due to the extensive US-Japanese economic relationship. Japan, South Korea, and the Republic of China on Taiwan constitute the industrial engine of the Asian/Pacific region. It is in Northeast Asia, not Southeast Asia, where American strategic interests lie. Furthermore, the major *threats* in East Asia also lie in Northeast Asia rather than in Southeast Asia. The North Korean regime threatens to undertake new violence against South Korea, a move that could ignite the entire Northeast Asian area since Japan, the Soviet Union, China, and the United States all exercise power in such close proximity. The growing Soviet Pacific fleet is based in Northeast Asia and routinely exercises in the Northwest Pacific Ocean, and has begun visiting Vietnamese facilities in the South China Sea.

In Southeast Asia, by contrast, since the end of the Indochina war, traditional local rivalries, ethnic and political fragmentation, and alterations in great power involvement have made for a less threatening subregion to US interests. Communist Vietnam and Laos have been absorbed in domestic reconstruction problems, until Vietnam invaded and occupied Cambodia. Recent governments in Bangkok, viewing the turmoil on their borders, have been unable to accept a new US military presence or basing arrangement, due to pressures from within and without by the Communist countries, which share 1,000 miles of Thailand's border, and because of general disapproval by the Association of Southeast Asian Nations (ASEAN). Finally, the Burmese Government continues its non-aligned, xenophobic path and avoids any kind of US (or other) military tie or presence. **In summary, with the exception of the small US military assistance tie to Thailand, mainland Southeast Asia is beyond the reach of effective US military influence.**

Insular Southeast Asia, in which four of the five ASEAN countries are located—Malaysia, Singapore, Indonesia, and the Philippines—also shows reluctance to countenance a continued American military presence in the area. Since 1968, the Kuala Lumpur government consistently took the position that the Philippines should eliminate or radically reduce the US military presence at Subic Bay, Clark, and other installations. Beginning in January 1969, the Manila government began publicly questioning the necessity of a continued US presence in the Philippines. Singapore deferred, however, believing its security is facilitated by the presence of the great powers in Southeast Asia. The Thai Government

and the Indonesian military also favor retention of the US military presence in or around the region. There is, however, no foreseeable requirement for a US military presence in insular Southeast Asia. Unforeseen or emergency contingencies (for example, typhoon relief, or another *Mayaguez* incident) may occur, and the United States has relied on Subic and Clark in these situations. However, the United States has no predictable military contingencies to prepare for in the area, at least none which the ASEAN countries can articulate.

Turning to logistics, it is clear that forward deployment out of Philippines bases—when compared to projection from Japanese bases or Guam/TTPI—enormously shortens US reaction time into all areas of the South China Sea, the Malacca Strait, and out into the Indian Ocean. The Philippine bases also facilitate a “force multiplier effect” because fewer ships and planes are needed to provide an equivalent force presence than if we were restricted to CONUS or US Pacific possessions.⁵ This effect was proved throughout the Vietnam war when Subic Bay became the essential fulcrum for projecting US naval and naval air power into the Tonkin Gulf and against North Vietnam. To have maintained a carrier force in the South China Sea by other means would have been extraordinarily expensive. Again, during the December 1971 Indo-Pakistan war and during the 1975 *Mayaguez* crisis, the force multiplier effect was demonstrated. Basing out of Subic and Clark also simplifies projection because the naval storage, fuel, and repair facilities at Subic Bay cannot be matched anywhere else but in Japan, 1,400 miles to the northeast. Should a major military contingency develop in Northeast Asia, such as new violence in the Korean peninsula, the United States could use Subic and Clark for backup support. In other words, while there is little *political* rationale for an American military presence in Southeast Asia proper, there is a convincing *capability* rationale for keeping the US presence there to both reinforce Japan and Korea to the northeast, and to project power from the Western Pacific into the Indian Ocean. It is this anomaly in the Philippine base question that has tended to bedevil policy articulation and, inevitably, give credence to spurious recommendations which do not account for enough of the variables.

THE "FALLBACK" OPTION TO GUAM AND MICRONESIA

Assumptions

The case for American political-military fallback from Southeast Asia to the West-Central Pacific (Guam, Micronesia) and Hawaii rests on these assumptions or assertions:

- US interests in East Asia focus almost entirely on Japan in the Northeast Asian quadrant. Other than the importance of Japan, US interests in East Asia are minimal.
- East Asia and the Western Pacific collectively form a less threatened area since the end of the Indochina wars. The People's Republic of China's (PRC's) foreign policy is more constructive, and China and the United States see value in China's role as a counterweight to Soviet power.
- Military alliance systems have lost their utility in Southeast Asia: witness the dissolution of SEATO, and ASEAN suspicions of great power regional security moves (i.e., the Soviet all-Asian security system scheme).
- Rising nationalism in Southeast Asian nations makes any foreign military presence there much less tolerable than previously.
- US force planning and capabilities are no longer able to cope simultaneously with major confrontations in both Europe and Asia.
- Guam and areas of Micronesia constitute an alternative base complex which could suffice should the United States lose access to or decide to vacate bases in the Philippines and Northeast Asia.

Requirements

The fallback option places responsibility for US basing in the Western Pacific principally on Guam, the Northern Marianas islands, and the Palau District of the Trust Territory of the Pacific Islands (TTPI). Should access to Clark and Subic Bay be lost or significantly reduced, these islands are the next logical places to revert to, given their proximity to the Philippines and US ownership or influence. Bases in Guam facilitated a high proportion of US troop movements during the Vietnam war, and all American B-52

operations were flown out of Guam or Thailand, none from the Philippines. In addition to its facilities in Guam, the Air Force has studied the possibility of developing facilities on Tinian Island in the Northern Marianas. To the southwest of Guam, in the Palau District, the Malakal Harbor and nearby Babelthuap Island could be augmented for modest naval fleet support and storage areas. Babelthuap, one of the largest islands in Micronesia, also could be used as a ground force training area.

Guam is the only facility near Southeast Asia from which the United States can maintain an unencumbered forward defense capability. Guam is American territory and the United States is completely assured continued access there. The island is approximately 30 miles long and averages between 5 and 11 miles wide, and about one-third of its usable land is held by the US military. Andersen Air Base in the northern portion of Guam is a staging and support base for US Strategic Air Command (SAC) B-52's. The naval complex around Apra Harbor includes berthing support and repair facilities for 7th Fleet surface ships and nuclear submarines. A large ammunition storage facility, a communication and monitoring station, and a naval air station which supports patrol and reconnaissance forces complete the island's major facilities.⁶ (See Appendix B.)

Guam lies in the northwestern corner of Micronesia, but administratively is separate from the TTPI. The TTPI contains three sprawling archipelagos composed of the Marianas, Caroline, and Marshall Islands, which are divided into six administrative districts, plus the Northern Marianas. (See Figures 1 and 2.) Originally settled by Malay peninsula migrants, Micronesia has been ruled successively by Spain, Germany, Japan, and the United States. Spain, following defeat in the Spanish-American War of 1898, sought to liquidate her Pacific holdings and sold the Micronesian islands to Germany for \$4 million. Japan replaced Germany early in World War I and developed the islands considerably. The Japanese closed the islands to outsiders in the 1930's and developed some of them, especially Truk in the eastern Carolines and parts of the Marshalls, into military facilities. After bitter island-by-island fighting, the United States cleared the Japanese out of Micronesia and launched the final decisive air attacks against Japan, including the atomic bombing attacks from Tinian.⁷

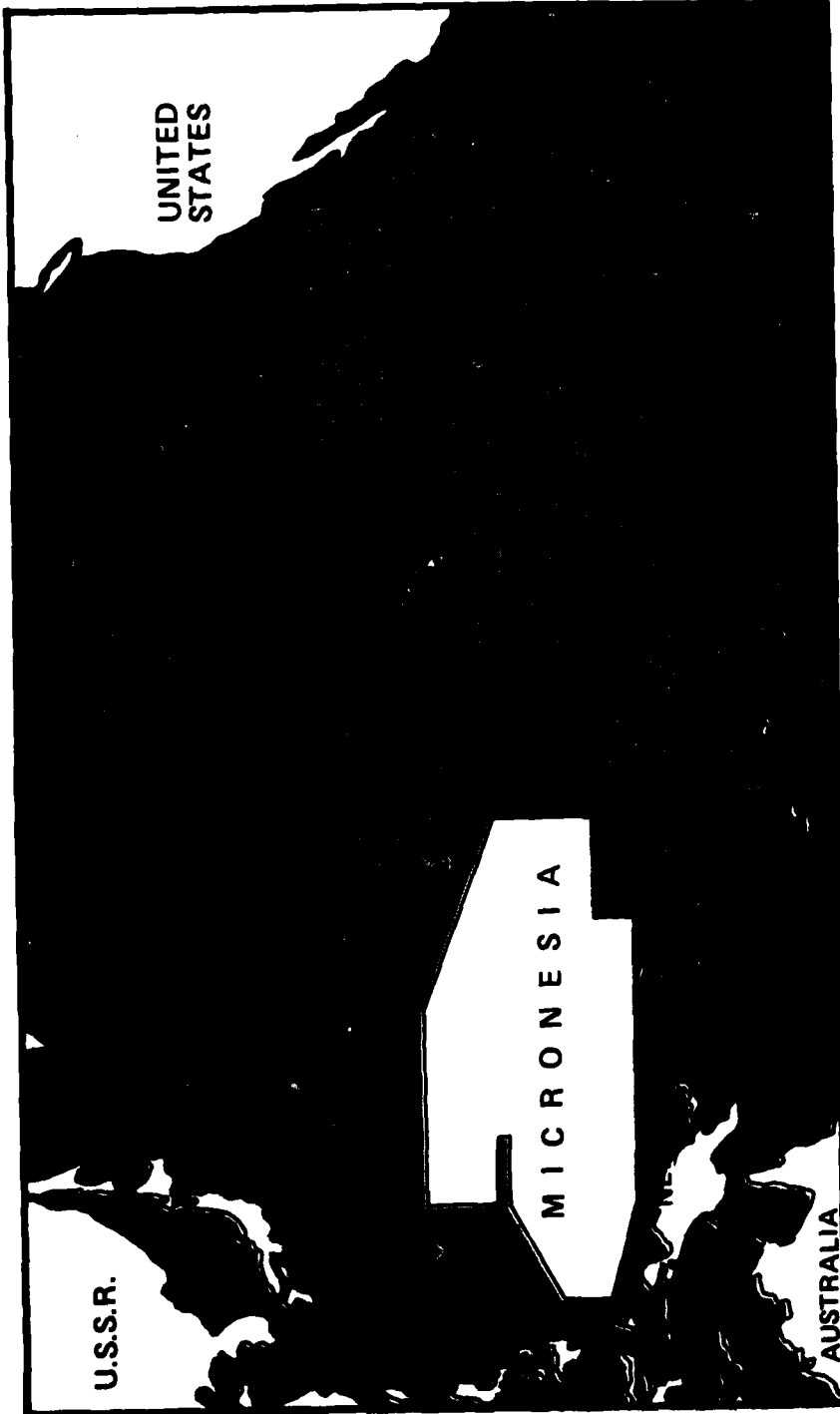


FIGURE 1. MICRONESIA: ITS PACIFIC SETTING

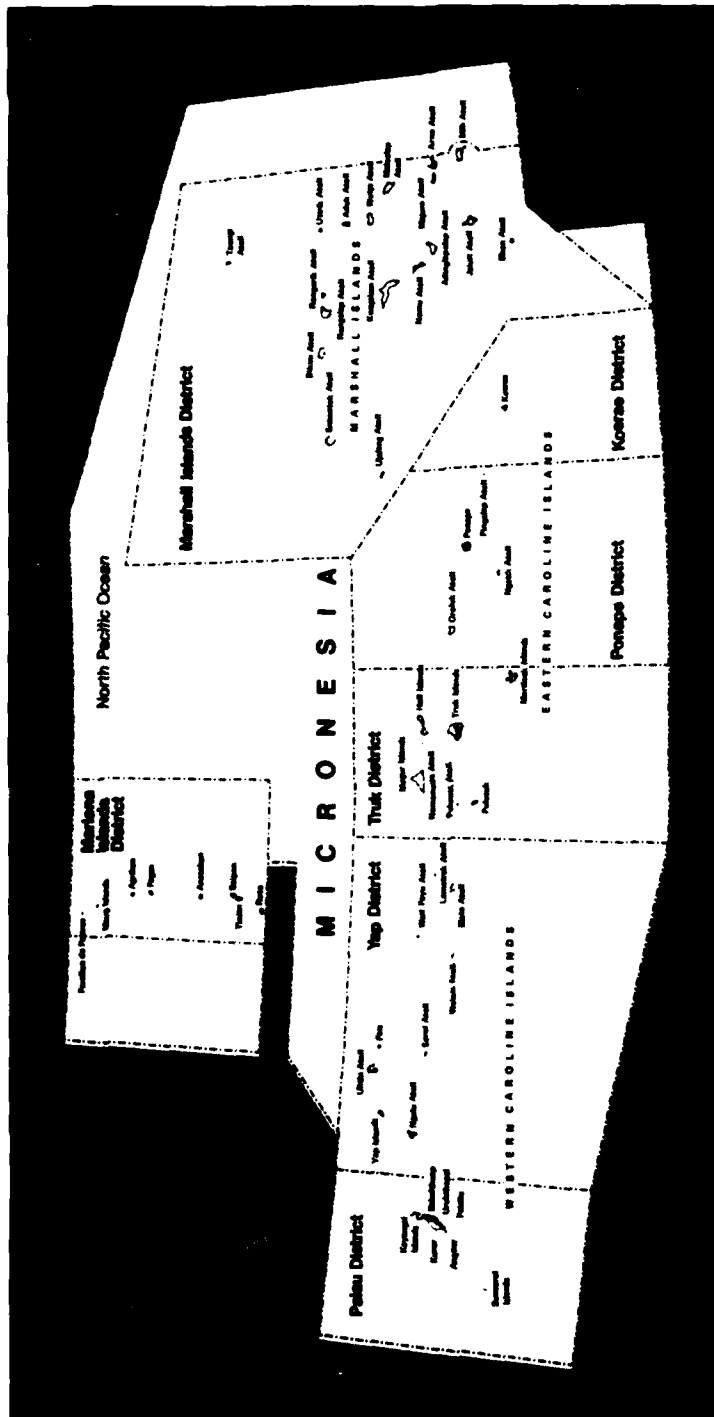


FIGURE 2. TRUST TERRITORY OF THE PACIFIC ISLANDS

Since 18 July 1947, Micronesia has been administered by the United States as a trust territory, under an agreement between the United Nations Security Council and the US Congress. The Trust Territory of the Pacific Islands was designated a "strategic trust," and by these agreements the United States, as the sole administering power, has full authority over and responsibility for TTPI's foreign relations and defense matters and is authorized to use some of the islands for military purposes.⁸ The United States is also obligated to foster socioeconomic development of the islands and to prepare them for eventual self-government.⁹ Since 1969 pressures have developed from within and without Micronesia to negotiate a new political status which would be mutually acceptable to the various TTPI districts and the United States. Political and cultural differences between the northern Marianas and the districts of Micronesia (Marshalls, Ponape, Truk, Palau, Kosrae, and Yap) have led to separate talks with each district. The northern Marianas, because of proximity to and affinity with Guam, have accepted a commonwealth status in political union with the United States.¹⁰ The other districts of Micronesia, each of which has one or two distinct languages and traditional clan affiliations, have alternated between negotiating for a collective federal system of government and fragmenting into separate arrangements with the United States ranging from commonwealth to free association to independence (presumably to be followed by a defense treaty relationship with the United States).¹¹ The Marshall Islands and the Palau Islands—primarily for economic reasons—are negotiating separate political status with the United States. The Congress of Micronesia, an elected body representing the six districts in some but not all matters, is fragmented.¹²

The only areas in Micronesia where any kind of limited basing alternative to the Clark and Subic bases (in addition to Guam) is feasible, from both a political and functional viewpoint, are in the Northern Marianas and the Palau Islands. The other districts of TTPI present serious problems of scattered land, poor facilities, absence of skilled labor, primitive communications, increasingly longer distances from Southeast Asia, and potentially difficult local administrations. The close proximity of the Northern Marianas to Guam, and the Marianas' and Palau's comparative development, give advantages to these areas. Expansion options, principally on Tinian in the Northern Marianas and on Babelthuap in Palau, have already been noted. In the Northern Marianas, which

now enjoys a commonwealth political relationship with the United States, additional facilities could be built (or refurbished) on Tinian Island—and the Air Force has examined the possibility of a modernized airfield and logistics storage area there. The Marines have shown some interest in a maneuver/training area on Tinian which is available under local agreements with the United States.¹³ Saipan's Tanapag Harbor could be developed into a more functional facility. Finally, some 200 acres of land on Farallon de Medinilla, located 45 miles northeast of Saipan, are available for amphibious training purposes. In each instance the United States has the right to lease these lands and adjacent supporting areas for the next 50 years, either separately or together, for a maximum sum of \$20 million.¹⁴ The Carter administration has been studying the possibility of exercising one or more of these options, but that decision, should an agreed US Government position develop, is likely to be several years off. It also should be emphasized that the Tinian, Saipan, and Farallon augmentations, if exercised, would add only a very limited expansion of capabilities to Guam, which itself could easily become saturated in a crisis and unable to take up much of the 13th Air Force overspill should Clark be lost.¹⁵

Portions of the TTPI Palau Islands District, about 700 miles southwest of Guam, also show possibilities, although political arrangements with the Palau District are in flux and the results are not likely to be as close to US interests as are those in the Northern Marianas. The Malakal Harbor could provide access and anchorage for a number of ships and a 40-acre naval site there, if developed, would constitute a modest naval support base. More importantly, Babelthuap Island, the largest island in Palau, has the potential for development of an exclusive US 2,000-acre logistics support facility as well as a natural, if unsheltered, harbor. Access to another 30,000 adjacent acres on Babelthuap for US Marine ground training also has been discussed with the Paluans. There are possibilities for runway augmentation of Babelthuap's Airai airfield, which is about 450 acres in size, and expanded use of the Angaur airfield which is currently utilized by the US Coast Guard.¹⁶ Again, any coordinated US Government position resulting in proposals to the Palauans on these options will have to await agreement in Washington and clarification of the Palau Islands ultimate political relationship to the United States which, among other things, would determine the type of leasing, renewal, and domain options the United States could exercise.

Assessment

Politically, the "fallback" option assumes that the United States does not have strong enough interests in Southeast Asia to warrant a continuing, major military presence there. A related argument is that a base's utility to the United States has to be defined in terms of serving only the particular geographical area in which it is located. Such a requirement would ignore the fact that many US overseas bases, as well as Soviet facilities, are designed as way-stations or transit points for projection of power *through those areas and on to adjacent, more distant regions* (for example, US Strategic Air Command bases in Europe, naval and air bases in Japan, and Southern Command components in Panama; Soviet submarine use of Cienfuegos in Cuba, airfields in Libya, naval facilities in Vietnam, etc.). Thus the locality argument, while correct in this instance in assuming reduced or minor US interests in Southeast Asia, ignores the fact that to project force into the Indian Ocean or the South China Sea from the US West Coast, the United States must rely on facilities in the Western Pacific. Accordingly, bases located in Southern Asia are highly convenient transit, refueling, and repair stations for that mission.

Possibly a more valid political argument in favor of relinquishing access to Subic and Clark is the one that emphasizes mounting nationalist pressures from the Philippine Government in tandem with the ASEAN desire for a "neutralization"—whatever that actually means—of the whole region. Guam and portions of TTPI subsequently became attractive because they present relatively simple political problems compared to the Philippines. It would, of course, be desirable if the United States could rely everywhere on island or floating bases unencumbered by local sensitivities. This is why, for example, Guam and portions of TTPI in the Pacific, Diego Garcia in the Indian Ocean, and the Azores in the Atlantic are desirable from a political viewpoint. But these small facilities are not functional substitutes for a serious forward presence. More importantly, in the case of the Philippines, it has been evident that the Marcos government, for all its rhetoric, wants US military forces to continue operating out of Clark and Subic. This will be discussed in detail later in the study.

The US Government estimates that the costs of developing Subic Bay Naval Base and Clark Air Base 25 years ago were over \$1 billion. Attempting to replace these facilities today would be quite

expensive—on the order of \$3 billion to \$5 billion. The most likely alternative to Clark would be to transfer 13th Air Force Headquarters either to Guam, or 1,400 miles northeast to Japan and/or Korea, where it probably would be combined with the 5th Air Force.

Subic Bay is a much different problem. It represents the finest deepwater port in the Asian/Pacific/Indian Ocean region. The United States established its ship repair facility at Subic Bay in 1903. As Appendix A indicates, Subic Bay constitutes the largest US naval repair and supply facility in East Asia and benefits from the use of skilled Filipino labor at bargain rates compared to American, Japanese, or Guamanian wages. Should the United States lose access to Subic Bay, neither the Apra Harbor at Guam, nor the Malakal or Babelthuap harbors in the Palau Islands could provide anywhere near as functional a substitute. Most of the 7th Fleet basing, repair, storage, refueling, and naval air activities now conducted at Subic Bay and Cubi Point would have to be packed into Japanese or Korean bases or pulled back to Hawaii. In each case major political and/or logistical problems would arise and the net result would be a serious degradation of the US ability to project *and sustain* naval power into the South China Sea and the Indian Ocean.

There simply is no sound alternative to Subic Bay. Singapore could handle some increased US naval repairs and possibly some increased military air traffic, but a significant base in Singapore would require permanent facilities and this is politically unacceptable to the Singapore government and to ASEAN. Some Australian capabilities might be found, but the development of Cockburn Sound near Freemantle would require very extensive preparations—on the order of several billion dollars. Although US access to Australian facilities probably would be less susceptible to political pressures than in the Philippines, and the advantages of working with a close ANZUS partner are obvious,¹⁷ the long distances make this option logistically unattractive.¹⁸

In summary, the loss of dependable access to bases in the Philippines and the resultant costs of trying to replace portions of these facilities elsewhere in East Asia—principally Guam, the Northern Marianas, the Palau Islands, and Japan—would be very expensive and would constitute a very limited functional alternative. The loss of the Philippine facilities would seriously degrade the US ability to project, and sustain, military power—particularly

naval power—into the South China Sea and the Indian Ocean. The facilities at Subic Bay (and to a lesser extent at Clark) are nonduplicable, and only to a small extent replaceable. Clark Air Base is the main transit and communications hub for all American air traffic moving west from Hawaii. If necessary, the 13th Air Force could operate out of Guam's Andersen Air Force Base with other functions transferred to Northeast Asia. But Subic Bay and its collocated naval air capability at Cubi Point constitute an ideal naval/air complex adjacent to the South China Sea. They cannot be replaced.

The fallback option then, while it is an expression of political concern—which could prove valid if a future Philippine government takes a turn to the left—is not a functionally equivalent alternative.¹⁹ What the fallback argument does emphasize is the necessity of the United States keeping its options open with regard to the Northern Marianas and the Palau District of Micronesia. Should the United States in the future lose full or partial access to either Subic or Clark, Washington must not have foreclosed the possibility of even small relocations to the Micronesian areas. The Commonwealth of the Northern Mariana Islands provides a very limited fallback option in regard to Tinian, Saipan, and Farallon de Medinilla. United States policy toward the Palau island group should operate from the same assumptions—of keeping open the possibility of using available land areas. **But Micronesia and Guam will not suffice for a future loss of the Philippines. The fundamental requirement is to retain major access to the Subic Bay/Cubi Point naval complex. Without access, US reaction time is enormously degraded, and ability to place naval/air power into the Indian Ocean and the South China Sea, and to sustain it there, becomes highly questionable.**

CHAPTER I ENDNOTES

1. For background, see Herbert G. Hagerty, *Forward Deployment in the 1970's and 1980's*, National Security Affairs Monograph 77-2 (Washington, DC: National Defense University, 1977), pp. 3-5.

2. Regarding the 1954 Southeast Asia Collective Defense Treaty (the Manila Pact), by subsequent protocol the United States defined "aggression by means of armed attack" as limited "only to Communist aggression." Article II of the 1954 ROC-US Mutual Defense Treaty stipulated that the two countries "will maintain and develop their individual and

collective capacity to resist armed attack and Communist subversive activities directed from without against their territorial integrity and political stability." The US-Japanese Security Treaty of 1951 granted the United States the responsibility to help defend Japan from both external attack and "large-scale internal riots and disturbances." The subsequent US-Japanese Mutual Cooperation and Security treaty of 1960 refers only to an "armed attack" against territory. Neither of the Japanese treaties, nor the Korean or Philippine treaties, specified Communist aggression. Nor does the ANZUS treaty. See Department of State, *United States Treaties and Other International Agreements*, Vol. 6, Part 1, 1955, pp. 81-89, 433-454; Vol. 3, Part 3, 1952, pp. 3329-3340; Vol. 11, Part 2, pp. 1632-1635; Vol. 5, Part 3, 1954, pp. 2368-2376; Vol. 3, Part 3, 1952, pp. 3947-3951 and 3421-3425 published respectively in 1956, 1953, 1960, 1955, and 1953 by Government Printing Office, Washington, DC.

3. "Stability" and "balance of power" as goals, and the "stabilizing effect" of a military presence, appear in many US Government publications and in government-affiliated analyses—often without a definition of what these terms conceivably mean. See, for example, General George S. Brown, USAF, *Statement to the Congress on the Defense Posture of the United States for FY 1978*, 20 January 1977, pp. 46-51. Also see F. J. West, Jr., et al, "Toward the Year 1985: The Relationship Between US Policy and Naval Forces in the Pacific," *Environments for US Naval Strategy in the Pacific-Indian Ocean Area, 1985-1995*, (Newport, RI: US Naval War College and Institute for Foreign Policy Analysis, 1 June 1977), pp. 319-328.

4. See the remarks by Secretary of Defense Harold Brown to the Los Angeles World Affairs Council, Los Angeles, California, 20 February 1978; also, see remarks by Vice President Mondale in Hong Kong, September 1979.

5. Of relevance is LTC Terence J. Connell, et al, *Republic of Philippines—A Strategic Study*, (Carlisle Barracks, Pennsylvania: US Army War College, 8 June 1977), pp. 5-6.

6. There is also a commercial port in Apra Harbor.

7. Robert Trumbull, *Tin Roofs and Palm Trees: A Report on the New South Seas* (Seattle, Washington: University of Washington Press, 1977), pp. 251-280.

8. The details are in Ambassador Philip W. Manhard, *The United States and Micronesia in Free Association: A Chance To Do Better?* National Security Affairs Monograph 79-4 (Washington, DC: National Defense University, June 1979), pp. 1-8.

9. *Ibid.*, p. 256. In 1976 the United States spent approximately \$100 million on the Trust Territory, while the Micronesian economy itself produced only

about \$18 million. The islands are now heavily impacted with Federal welfare programs—with the predictable psychological spoilage that often accompanies huge, per capita, welfare efforts. Fox Butterfield. "The Improbable Welfare State," *New York Times Magazine*, 27 November 1977, pp. 55-56, 58-60, 62, 64, 66, 68, 74.

10. *The Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America* was signed on 15 February 1975, but went into effect on 9 January 1978. The United Nations Security Council will not vote on this and other anticipated political status changes in TTPI until 1981 and the Soviet Union, as a permanent member of the Security Council, may call into question this and other US initiatives. Hereinafter cited as *Northern Mariana-US Covenant*.

11. "Free Association" is a kind of qualified sovereignty in which the metropolitan power handles foreign affairs and defense, and is obligated financially, but under which either party can unilaterally terminate the agreement. Great Britain has such a tie with a number of small Caribbean states. See Eugene B. Mihaly, "Tremors in the Western Pacific; Micronesian Freedom and US Security," *Foreign Affairs*, July 1974, p. 842; and Manhard, *The United States and Micronesia in Free Association*, pp. 45-50, 73-4.

12. With the Marshalls and the Palauans splitting off from the rest of Micronesia when it comes to negotiating their future political status, the Congress of Micronesia now represents only the four central districts (Truk, Yap, Ponape, Kusaie) on that issue. These four districts held their own referendum in the summer of 1978 to determine what approach to take to the United States. They formed themselves into the Federated States of Micronesia which officially came into existence on 28 January 1979. The current US Government approach is to seek a single, uniform relationship with the Marshalls, the Palau Islands, and the Federated States.

13. Mihaly, "Tremors in the Western Pacific," p. 842; and the *Northern Mariana-US Covenant*.

14. As stipulated in the *Northern Mariana-US Covenant*, 17,799 acres on Tinian are available for \$17.5 million, 177 harbor acres on Saipan for \$2 million, 206 acres on Farallon de Medinilla for \$20,600. These stipulations have inflation riders and, to be exercised, require a US Government decision within 5 years from the date the covenant went into effect (9 January 1978).

15. John C. Dorrance, *Micronesia's Future Status and the US Role in the Western Pacific* (Washington, DC: The National War College, March 1975), pp. 15-16.

16. *Ibid.*, p. 17.

17. Both the conservative Frazer and Muldoon governments in Australia and New Zealand favor a strong US military presence in the Pacific and Indian Oceans. Both view ANZUS as a "cornerstone" of their security policies. United States nuclear-powered warships are allowed to visit Australian and New Zealand ports. US, Congress, House, *Report of the Ad Hoc Subcommittee on the Pacific of the Committee on Armed Services*. 94th Congress, 2d sess., 25 May 1976, pp. 6-12.

18. See Geoffrey Kemp, et al., "Geo-Logistic Constraints on US Mobility in the Indo-Western Pacific Theater," in conference proceedings entitled *Environment for US Naval Strategy in the Pacific-Indian Ocean Area, 1985-1995*, Center for Advanced Research, US Naval War College, and Institute for Foreign Policy Analysis, 1 June 1977, p. 253.

19. Advocates of this Pacific basing option may or may not prescribe similar pullback remedies for Europe, the Middle East, or elsewhere. However, for a more general, apparently serious, prescription for global American fallback, implicit abandonment of our responsibilities, and inevitably, our allies, see Earl C. Ravenal, "The Case for Strategic Disengagement," *Foreign Affairs*, April 1973, pp. 505-521.

II. AN ALTERNATE VIEW OF US BASE REQUIREMENTS IN SOUTHEAST ASIA AND THE WESTERN PACIFIC: SLOC'S, OIL ROUTES, AND THE INDIAN OCEAN CONNECTION

There are few convincing political arguments that can be mustered in favor of maintaining an American force presence in Southeast Asia for use in Southeast Asia. From a strictly political viewpoint, reliance on Guam and portions of TTPI for US basing is more desirable than the Philippines but, as noted, Guam and portions of Micronesia are not adequate military and logistical "fall-backs" for the Philippine bases if they are lost. Thus, if a valid rationale for retention of basing in the Philippines is to be found, it will be in terms of requirements *primarily outside Southeast Asia*. Accordingly, the case for military projection from the Philippines into the Indian Ocean, for backup support of Northeast Asia, and for general positioning astride American allies' oil lanes and sea lines of communications (SLOC's) becomes compelling. While the protection of allies' SLOC's and oil lanes does not have the emotional appeal of defending American SLOC's or shipping, and retaining bases in Southeast Asia because they are handy in case of unforeseen contingencies (e.g., the *Mayaguez* seizure) is difficult to dramatize, these arguments represent the direction American rationale seems likely to take for the future justification of long-term basing out of the Philippines. This becomes a question of broadening the articulated purposes of the base structure, while seeking to improve its "political reliability and, where possible, reducing its political vulnerability."¹

ASSUMPTIONS

The case for a US forward military presence in Southeast Asia astride sea lines of communication, oil routes, and near the Indian Ocean, works from these assumptions or assertions:

- Southeast Asia and the Western Pacific constitute a politically volatile, geographically congested island and archipelago zone through which the oil lifelines of four US Asian/Pacific allies or friends pass. These oil lanes constitute the strategic jugular veins of these countries.

- Noncommunist Northeast Asia's dependence on Persian Gulf oil, and Southeast Asia's chronic food and population problems, mean that the acquisition of energy resources, foreign trade, and development—all involving accelerated exploration of the sea's potential, institution of exclusive economic zones, and control of the sea have become the new strategic foci of Asian/Pacific countries.
- The US Commander in Chief, Pacific (CINCPAC) Headquarters—based in Hawaii—now has vastly extended responsibilities. CINCPAC's geographic area of authority ranges from the West Coast of the United States across the Pacific Ocean to East Asia, into the Indian Ocean and onward to the east coast of Africa—and the Persian Gulf, a distance of some 15,000 nautical miles. For the Pacific Command to fulfill its responsibilities, and to be able to react to contingencies, US forward basing in the Western Pacific and Southeast Asia is required.
- US forward military deployment and projection capability ensures that the American presence for routine or crisis situations will be available if required. Since crises are unanticipated, it makes sense to retain forward assets that have proven their value in the past as a hedge against unforeseen circumstances.
- By keeping an active military presence in the Western Pacific, with the capability of insertion into the Indian Ocean, the United States discourages adventurism against its allies' vital SLOC's and oil routes. American presence also serves to reassure or remind littoral states of American resolve to exercise influence in the area.

REQUIREMENTS

Operations of a military projection capability in Southeast Asia, and from there into the Indian Ocean, will require essentially the same base structure and deployment patterns as the "forward strategy" concept discussed in the previous chapter. Projection from the Western Pacific into the Indian Ocean requires maximum utilization of the Subic Bay naval installation in the Philippines, because insertion of carrier task forces into the Indian Ocean depends on forward Pacific facilities since projection from the Atlantic or the Mediterranean is much less feasible. There would

be less need to employ Clark Air Base facilities as fully as the United States does now, and some consolidation of Clark could be undertaken. It is basically a naval presence which is being analyzed in this option.

Geopolitical constraints on US military access into and within the Western Pacific and the Indian Ocean complicate the problem.

The most direct access to the Western Pacific is due west from Hawaii. The least constricted approach to the Indian Ocean from CONUS, although very long distances are involved, is southwest from Hawaii, around the southern coast of Australia, and northwest into the Indian Ocean. The Indian Ocean also can be entered from the South Atlantic and around Southern Africa's Cape of Good Hope. And, since the reopening of the Suez Canal, medium-sized ships can transit from the Mediterranean into the Northwest Indian Ocean. The real constraints operate in moving from the Western Pacific/South China Sea westward through the Malacca Strait or between the Indonesian islands, or from the Persian Gulf through the Straits of Hormuz, or down the Suez Canal, the Red Sea, and out into the Northwestern Indian Ocean. These passages transit physically crowded and often politically volatile littoral and archipelago states; they are "choke points" in the truest sense of the word.

Very large crude oil tankers (VLCC) in the 200,000-400,000-ton class, and ultra large oil tankers (ULCC) over 400,000 tons, present stopping, draft, and maneuverability problems because of their immense size. These problems are particularly acute in the Malacca Strait, between the Malay Peninsula and the Indonesian island of Sumatra, which has an average depth of only 75 feet. This strait is estimated to be the second busiest in the world. All ULCC and many VLCC have to take alternate routes through the Indonesian archipelago's Sunda Strait and Lombok Strait. It has been calculated that diversion of large tankers into the Lombok Strait results in an extra 3 sailing days and 1,400 miles to Japan, and upwards of \$100 thousand in extra costs.²

ASSESSMENT

Why the Indian Ocean?

The major reasons the United States is concerned about the security of the Indian Ocean region derive primarily from the

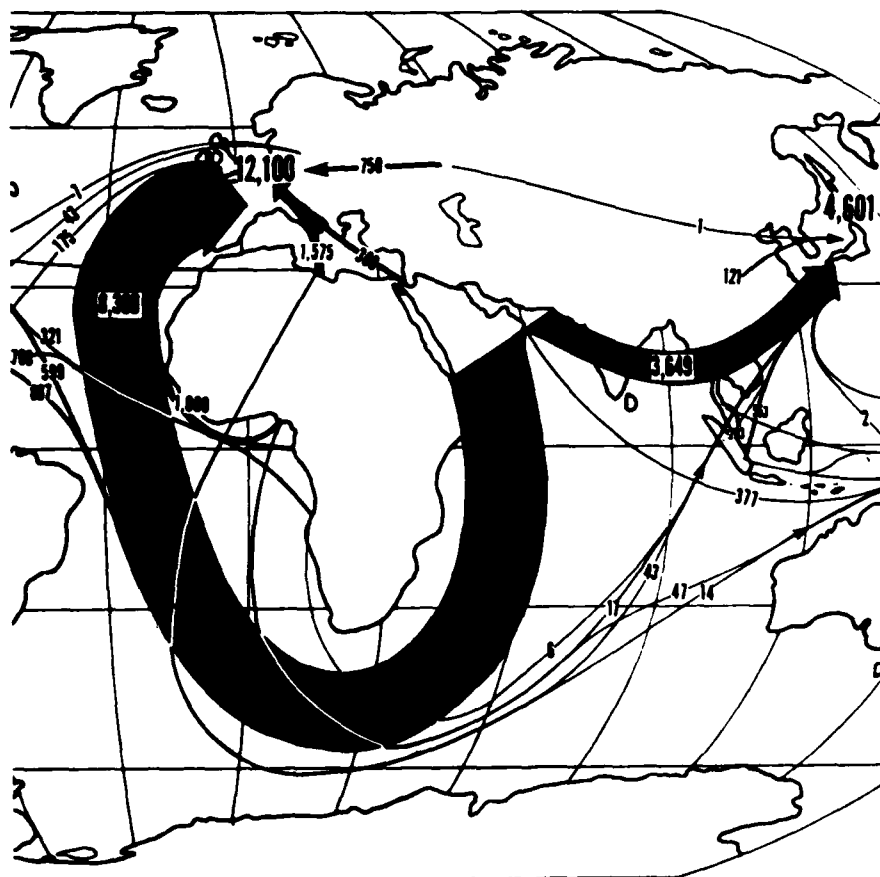
critical oil supply routes which transit the area: over one-half of the world's seaborne oil is moving across the Indian Ocean at any one time, as shown in Figure 3. The actions of radical governments in some littoral states in the Indian Ocean area, and Soviet naval extension into the area, are two other principal factors requiring US concern. There is also wealth in the Indian Ocean's offshore areas. As one authority observed:

Deposits of both heavy minerals and oil are known to exist on the continental shelves of the Persian Gulf and the South China Sea, but except for oil, other mineral resources remain largely undeveloped . . . About 40% of the world's current offshore production comes from the littoral countries of the Persian Gulf and the South China Sea (Indonesia). The Persian Gulf has more than 25 offshore oil fields now in operation which produce 20% of the region's total production.³

Soviet naval projection into the Indian Ocean is a relatively recent phenomenon. Not until after the 1968 British announcement of their withdrawals east of Suez did a continuous Soviet naval presence begin in the Indian Ocean—but it came immediately on the heels of the British announcement. Soviet Indian Ocean deployments reflect the USSR's determination to build a powerful navy. Admiral of the Fleet Sergei Gorshkov's ships show the flag wherever Soviet fleets are welcome and hold major exercises such as OKEAN-75. Soviet naval power takes into account the new political utility of maritime capabilities. Today the USSR has the world's largest surface navy.⁴ Elements of the Pacific Fleet out of Vladivostok which refuel on Vietnam's coast and the Black Sea Fleet's Mediterranean Squadron deploy into the Indian Ocean where they rely on facilities or anchorages along the East African coast, in the Western and Central Indian Ocean, and at Iraq's Umm Qasr in the Persian Gulf.

Recent studies indicate that the Soviets keep 12 to 20 ships in the Indian Ocean at any time and may have increased their number of ship-days to an average ratio of 4 to 1 over the US ship-days.⁵ The Soviet naval presence in the Indian Ocean is more continuous than that of the United States. Until November 1977, when Moscow lost access to Berbera on the Somali coast (which conceivably could be regained), the Soviets had an important naval facility there which, when added to Umm Qasr in Iraq as well as Aden and Socotra in the People's Democratic Republic of Yemen, gave them good coverage of the Northwest quadrant of the Indian Ocean. The

WORLD CRUDE OIL MOVEMENTS TO MAJOR CONSUMING AREAS - 1976
(thousand barrels per day)



ARROWS INDICATE ORIGIN AND
DESTINATION BUT NOT
NECESSARILY SPECIFIC ROUTES

BUREAU OF MINES
DIVISION OF PETROLEUM
AND NATURAL GAS
JULY 1977

**FIGURE 3. WORLD CRUDE OIL MOVEMENTS TO MAJOR
CONSUMING AREAS**

Russians also utilize anchored deepwater moorings south of the Malagasy Republic (formerly Madagascar), off Mahe in the Seychelles, and in the Chagos Archipelago.⁶ The previous Indian government of Indira Gandhi apparently did not provide military facilities to the Soviets, despite the August 1971 treaty and the acceptance of close to three-quarters of a billion dollars in Soviet arms.⁷ The Desai government continued Mrs. Gandhi's policy.

To counter Soviet activities, the United States utilizes moorings at Bahrain in the Persian Gulf,⁸ facilities at Diego Garcia in the Chagos Archipelago, and has been sending a carrier task force into the Indian Ocean 3 to 4 times a year. The small British-owned facility at Diego Garcia, 1,000 miles south of India and due east of the Seychelles, is part of the British Indian Ocean Territory (BIOT) which was created in 1965 from the outer islands of Mauritius and the Seychelles as they moved toward independence.⁹ In 1966 portions of Diego Garcia were made available by London to the United States for military activities for a period of 50 years. Subsequent agreements expanded US access on the island. The Defense Department desires to modernize Diego's runway and harbor, and by the summer of 1977 Congress had appropriated \$55.8 million for these actions which, when combined with other proposals, came to \$173 million.¹⁰

The Carter administration has attempted to get an agreement with the USSR to "freeze" military deployments in the Indian Ocean and then work toward reductions. The formal talks began in Moscow in June 1977, moved to Washington in late September, then shifted to Bern, Switzerland. While there was initial agreement in principle to stabilize the American and Soviet military presence in the Indian Ocean, Soviet and US negotiating positions quickly diverged. As 1979 began, the negotiations were in limbo. The Soviets have contended that Diego Garcia constitutes a US naval "base." The United States countered that Diego Garcia is not a base but an austere facility—much less developed, in fact, than was Berbera before the Soviets had to leave in November 1977. More fundamental sticking points in the negotiations have centered around Soviet demands that the United States ban deployment of ballistic missile submarines and aircraft carriers into the Indian Ocean, and that any freeze on existing Soviet and American naval capabilities must be coupled with a pledge to reduce forces significantly in the near future.¹¹ Most likely the Soviets want to see *all* US capabilities—whether ashore, afloat, or

airborne—which bear on US strategic planning in or adjacent to the area, prohibited from the Indian Ocean.¹²

THE INDONESIAN SEA WALL

American military deployments into the Indian Ocean have to initiate primarily from 7th Fleet assets in the Western Pacific and pass through the Malacca Straits or one of the Indonesian straits. This is because access by the 6th Fleet in the Mediterranean through the Suez Canal and the Red Sea is limited to smaller vessels, transits a politically volatile area, and is harder to justify given the priorities which lay with NATO-oriented forces in the Mediterranean. Transit time from US east coast ports into the South Atlantic and around Southern Africa's Cape of Good Hope is prohibitive, representing a distance nearly halfway around the globe. Transit southwest from Hawaii and via Australia's Base Strait and then northwest past Cape Leeuwin into the Indian Ocean again represents a great distance.

With projection into the Indian Ocean therefore principally from the Western Pacific, four Southeast Asian straits become critical. These are the Malacca Strait between the Indonesian island of Sumatra and the Malay Peninsula with Singapore at the Straits's southeastern outlet; the Sunda Strait between the Indonesian islands of Java and Sumatra; the Lombok Strait between the Indonesian islands of Java and Bali; and the Ombai-Wetar Strait between Indonesia's Alor Island, and Timor.

Malacca Strait. The Malacca Strait is about 500 nautical miles long, has an average depth of only 75 feet, and its minimum width is 8 nautical miles.¹³ The shallows of the Malacca Strait combined with the heavy shipping congestion make it unsuitable for some laden oil tankers over 250,000 tons in size, and complicated for submerged submarine passage. However, American aircraft carriers, whose maximum drafts do not exceed 38 feet, can pass without difficulty. The Strait is extraordinarily crowded: approximately 40,000 vessels enter and leave Singapore each year; most of them transit the Strait.¹⁴

Sunda Strait. The Sunda Strait between Java and Sumatra has an average depth of about 120 feet and a minimum width of about 11 nautical miles. This strait allows laden tankers of over 250,000 tons to pass regardless of draft, and can accommodate any size warship as well as submerged passage. It is the most favored

alternative for the very large Japanese tankers which cannot use the Malacca Strait.

Lombok Strait. The Lombok Strait, between Bali and Lombok, is only 25 miles long, has an average depth of 600 feet and a minimum width of 11 nautical miles. Due to its depth it is particularly advantageous for submerged submarine passage. However, passage north of the strait involves an additional 700-1,000 nautical mile passage through constricted Indonesian waters before exit from the Celebes Sea and out into the Western Pacific.

Ombai-Wetar Strait. The Ombai-Wetar passage, between the Alor Island and Timor, and later between Wetar Island and Timor, averages about 600 feet in depth and 12 nautical miles at minimum width. Like Lombok it is excellent for submerged passage, and for heavily laden oil tankers, or very large naval vessels, but involves a complicated, crowded northern exit out of the eastern Indonesian archipelago.¹⁵

Malacca, Sunda, Lombok, and Ombai-Wetar are all vulnerable to interdiction by coastal forces and mining. Should these passages become unsafe, ships moving between the Western Pacific and the Indian Ocean would have to be diverted around Australia, which would approximately double the sea travel distance—by adding 3,000 miles—from Subic Bay in the Philippines to the Indian Ocean. Passage from Guam to Diego Garcia around Australia would increase the transit time for submarines by 8 to 10 days.¹⁶

POLITICAL OBSTACLES

In addition to the physical and navigational obstacles, there are political complications to transiting the Indonesian archipelago. In November 1971 Indonesia and Malaysia declared that the Malacca Strait was not an international body of water but, rather, was within their territorial waters.¹⁷ The United States, the Soviet Union, and Japan have all argued that the passage is and should remain an international strait, allowing guaranteed freedom of transit for all vessels. China has backed the coastal states position.

Should Indonesia, Malaysia, and Singapore work out their jurisdictional differences and adopt a coordinated, hard-line policy on local control of the Strait, when coupled with ASEAN's desire to have Southeast Asia become a "neutral zone,"¹⁸ the situation could become delicate for foreign naval passage through the area.

However, the variations in Malaysian, Indonesian, and Singaporean strait policies are serious. Under the Suharto government Indonesia's security ties and foreign policy alignment are fairly close to American interests.¹⁹ Today American-Indonesian relations are on an excellent footing; this was underscored by Presidents Ford's and Suharto's meetings in July and December 1975. While the Carter administration has pressed Indonesia on the human rights issue, relations between Washington and Jakarta remain good. Economically, local control of the Malacca Strait would represent a source of expanded revenue for Indonesia. Furthermore, Indonesia shows the most ambition among ASEAN countries to exert a regional leadership role.²⁰ Nevertheless, Indonesia's dependence on Japanese and American trade and assistance produces moderation in Jakarta's policy towards the Malacca Strait and its two biggest users. Indonesia exports nearly half her trade products to Japan, one-fifth to the United States.²¹ Offending these two countries would be unwise.

Malaysia takes a somewhat different position toward the Malacca Strait. The large Chinese population in Malaysia, which constitutes over one-third of the nearly 12 million people, and was the locus of the 1948-1960 "Emergency," has always been a touchy factor in Malaysian politics. This problem, and Chinese terrorists operating on the Thai border, motivated Kuala Lumpur to seek good relations with Peking, and Kuala Lumpur was the first ASEAN capital to normalize relations with China.²² In addition, Malaysia's high economic growth is intertwined with trade and investment from Japan and the United States; hence the reluctance to become highly assertive over control of the Strait. Thus Malaysian policy on the Strait suffers from cross purposes: by pressing for control—a move compatible with her support of a "Zone of Peace, Freedom, and Neutrality" in Southeast Asia—Kuala Lumpur could risk scaring off Japanese and American ties and investments. Yet jurisdiction over the Malacca Strait, if defined to bar foreign warships, would probably improve Kuala Lumpur's image in Peking. Beyond the political complications it should be noted that Malaysia's armed forces are quite small, and wartime control involving closure (by mining or interdiction) would be much more difficult, if not impossible, for Malaysia to exercise.²³

The Singapore government holds still another position. Prime Minister Lee Kwan Yew has taken the line that the actual neutralization of Southeast Asia would be a practical impossibility.

Additionally, Singapore, as the smallest country (city-state) in Southeast Asia, desires to see an external naval presence stay in and around Southeast Asia as a hedge against undue pressure by Indonesia and Malaysia. Singapore is nearly three-fourths Chinese, exclusively urban, highly productive, and is relatively rich when compared to its Malay neighbors. But Singapore's teeming, cramped living conditions also carry the potential of revolutionary violence. All these pressures push the Singapore government to promote the use of its harbor by foreign vessels and warships including Soviet as well as American ships. Accordingly, Singapore did not endorse the November 18, 1971 declaration which denied the "international character" of the Malacca Strait, but continued to stick to its traditional 3-mile territorial limit.²⁴ Singapore's extremely small size and token armed forces²⁵ would preclude her from exercising physical control over the Strait.

GREAT POWER POSITIONS

There is compatibility of interests among the United States, the Soviet Union, and Japan in seeing the Malacca Strait remain a legally certified "international" waterway. The United States wants the Strait kept open to its naval traffic and warships because it allows the swiftest possible passage into the Indian Ocean from Western Pacific bases. To use the deeper Sunda, Lombok, or Ombai-Wetar Straits through the Indonesia archipelago would require official Indonesian approval. Under existing sea law, submarines passing through territorial seas are obligated to surface, unless special arrangements are made with the local country.²⁶

The Soviet Union also favors continued internationalization of the Strait but is not nearly as dependent on it as are Japan and the United States. Soviet warships transit the Malacca Strait enroute from the Far East and the South China Sea to the Indian Ocean. Moscow has not, however, apparently chosen to ask permission to seek access through the more easterly Indonesian passages.²⁷ The still somewhat strained Indonesian Soviet official relations are a factor. Should the Soviet Union be denied naval passage through the Malacca Strait, and without permanent naval facilities, so far, on the Vietnamese or Indian coasts, she would be unable to deploy for any length of time into the South China Sea—an area where the Chinese naval presence is gradually expanding. Singapore does provide facilities for Soviet noncombatant and auxiliary ship repair and the harbor has become an attractive stop for Soviet merchant

and fishing ships. To date, however, Singapore has not provided facilities for Soviet combatant ships.²⁸

The Japanese have the most to lose under local control of the Malacca Strait. Before the energy crisis began in late 1973, Japan was annually importing some 200 million tons of Middle East crude oil, carried in a fleet of 220 tankers averaging about 90,000 tons and each making approximately ten round trips a year. Thirty of these tankers were very large in size—over 200,000 tons each.²⁹ With Japan now importing over 99 percent of its crude oil requirements, of which about 85 percent originates in the Persian Gulf, the whole northern portion of the Indian Ocean from the Arabian Sea to the Andaman Sea is a Japanese lifeline. As the tankers approach Sumatra, unimpeded passage through the Malacca Strait or the Sunda Strait becomes a vital concern of Japan. The countries bordering the Malacca Straits are dependent on Japanese markets and products for between 20 and 30 percent of their trade. So they must all address the question of control of the Straits from a mutual and essentially conciliatory perspective regarding Japan.

Of the interested outside parties, only the Chinese align with the coastal states in advocating local control of the Malacca Strait. This is not surprising given China's Third World policies, her need to counter almost any Soviet position, and her desire to assert territorial control over her own adjacent sea passages and offshore resources. Furthermore, China's seaborne trade with Europe is still comparatively low, and she apparently makes no use of the strait for movement of warships.³⁰ Chinese policy toward the Malacca Strait countries fits into its larger policy framework for Southeast Asia—that of encouraging the development of neutral "buffer states" along and adjacent to her southern borders which are free from influence by the superpowers (especially Soviet). ASEAN proposals for a neutralized Southeast Asia tend to accord with China's views and Peking has complemented ASEAN countries on their nonaligned position. Agreements to supply oil, reduce the overseas Chinese issue, and diminish her support of insurgency movements in the region represent other tactical moves by Peking.³¹

SUMMARY

United States naval transit through the Indonesian archipelago and into the Indian Ocean or back into the Western Pacific is complicated by political, geographic, and regional factors. But of

all the outside powers with interests in the two oceans, the United States probably has the most influence in the area and American activities generate the least suspicion. The key to projecting of US military power into these two oceans and sustaining it once there, lies in use of Subic Bay and to a lesser extent Clark Air Base in the Philippines. As a result, American relations with the government of the Philippines have become extraordinarily important.

CHAPTER II ENDNOTES

1. Herbert G. Hagerty, *Forward Deployment in the 1970's and 1980's*, National Security Affairs Monograph 77-2 (Washington, DC: National Defense University, 1977), p. 22.
2. Geoffrey Kemp, et al, "Geo-Logistic Constraints on US Mobility in the Indo-Western Pacific Theater," in Conference Proceedings entitled *Environment for US Naval Strategy in the Pacific-Indian Ocean Area 1985-1995*, Center for Advanced Research, US Naval War College and Institute for Foreign Policy Analysis, 1 June 1977, pp. 250-251.
3. Kemp, *US Naval Strategy in the Pacific-Western Indian Ocean Area*, pp. 252-254.
4. Norman Polmar, *Soviet Naval Power: Challenge for the 1970's*, Revised Edition (New York: Crane, Russak & Company, Inc., 1974); Capt. John E. Moore, RN, (ed.), *Jane's Fighting Ships* (New York: Franklin Watts, Inc., 1975), p. 549.
5. Major Bard E. O'Neill, USAF, *Petroleum and Security: The Limitations of Military Power in the Persian Gulf*, National Security Affairs Monograph 77-4 (Washington, DC: National Defense University, 1977), p. 8.
6. Polmar, *Soviet Naval Power*, pp. 69-70; Ferenc A. Vali, *Politics of the Indian Ocean Area; The Balances of Power* (New York: The Free Press, 1976), p. 167; and W. A. Adie, *Oil, Politics and Seapower: The Indian Ocean Vortex* (New York: Crane, Russak & Co., Inc.), pp. 24-28.
7. General George S. Brown, USAF, *Statement to the Congress on the Defense Posture of the United States for FY 1978*, 20 January 1977, p. 50.
8. In June 1977 the United States had to terminate a 30-year home-porting arrangement at the request of the Bahrain government.
9. Vali, *Politics of the Indian Ocean Region*, pp. 164-169, 201-202.
10. O'Neill, *Petroleum and Security*, p. 9. Diego is a limited facility consisting of three communication sites, an 8,000-foot runway (planned for

12,000 feet—the standard length for international runways), and a fuel storage dump. The potential is there for a more significant facility: elongated runways, expanded aprons, and a refurbished harbor could accommodate a significant naval/air presence. Jack Fuller, "Dateline Diego Garcia: Paved-Over Paradise," *Foreign Policy*, Fall 1977, pp. 175-186, and Russell Spurr, "Indian Ocean War Rather than World War," *Far Eastern Economic Review*, 2 December 1977, pp. 30-31.

11. Richard Burt, "Soviet Proposal Snags Indian Ocean Talks with US," *New York Times*, 18 December 1977, p. 13.

12. Richard Burt, "US Is Hopeful on Indian Ocean Talks with Soviets," *New York Times*, 20 November 1977, p. 4.

13. Vali, *Politics of the Indian Ocean Region*, pp. 83-84.

14. Michael McGwire, "The Geopolitical Importance of Strategic Waterways in the Asian Pacific Region," *Orbis* 19 (Fall 1975): 1069; R. G. Boyd, "The Strategic Significance of the Malacca Strait," ORAE Memorandum No. M86, Operational Research and Analysis Establishment, Department of National Defense, Government of Canada, Ottawa, April 1977, p. 3.

15. McGwire, "The Geopolitical Importance of Strategic Waterways in the Asian Pacific Region," p. 1069. The Torres Strait between West Irian/Papua, New Guinea and Australia's Northern Queensland, Cape York Peninsula is extremely shallow (39 feet) and 11 nautical miles in width.

16. Boyd, "The Strategic Significance of the Malacca Strait," p. 4; and Michael McGwire, "The Proliferation of Maritime Weapon Systems in the Indo-Pacific Region," paper prepared for conference at Australian National University, Canberra, 26-27 July 1977.

17. Vali, *Politics of the Indian Ocean Region*, pp. 74-75. Under Sukarno, Indonesia first published its "Archipelago Doctrine" in 1958 declaring that all internal waters and straits were inland seas. Jakarta has not tried to enforce this policy.

18. In November 1971, at an ASEAN meeting at Kuala Lumpur, each government signed a declaration stating that Southeast Asia should be a "Zone of Peace, Freedom, and Neutrality." Malaysia has been the prime force behind the proposal. Details are in Justus M. Van der Kroef, "ASEAN's Security Needs and Politics," *Pacific Affairs*, Summer 1974, pp. 154-170.

19. See Francis J. Galbraith, "Indonesia's World View and Foreign Policies," *Orbis* 14 (Fall 1975): 1102-1114.

20. For a glimpse of the Suharto/Malik thinking on this see Adie, *Oil, Politics and Seapower*, p. 50.

21. Boyd, "The Strategic Significance of the Malacca Strait," p. 7.
22. In Prime Minister Tun Abdul Razak's words, "The China issue is at the center of Malaysia's foreign policy," Adie, *Oil, Politics and Seapower*, pp. 50, 57-59.
23. Malaysia's ground forces are involved in internal security functions. Its naval forces, which include 2 frigates, 27 patrol craft, and 6 coastal mine-sweepers, are either partially obsolete or too small to exert effective control over the Straits. Malaysia has some helicopters and counterinsurgency planes. *The Military Balance 1977-1978* (London: International Institute for Strategic Studies, 1977), pp. 61-62.
24. Vali, *Politics of the Indian Ocean Region*, pp. 82-83.
25. Singapore has 5 patrol craft, 2 minesweepers. *The Military Balance, 1977-1978* (London: International Institute for Strategic Studies, 1977), pp. 63-64.
26. Alvin J. Cottrell and R. M. Burrell, "Soviet-US Naval Competition in the Indian Ocean," *Orbis* 18 (Winter 1975): 1109-1128. Also relevant are Alexander O. Ghebhardt, "Soviet and US Interests in the Indian Ocean," *Asian Survey* 15 (August 1975): 672-683; R. J. Hill, "Maritime Power and the Law of the Sea," *Survival* 17 (March/April 1975): 69-72, and Boyd, "The Strategic Significance of the Malacca Strait," p. 19.
27. Boyd, "The Strategic Significance of the Malacca Strait," p. 20.
28. Wing Commander Hans F. Roser, RAAF, "Extension of Soviet Influence into the East Indian Ocean and Southeast Asia—Implications for Australia's Security Policy," Report No. 201, Air War College, Air University, Maxwell Air Force Base, Alabama, April 1977, pp. 31-32.
29. Adie, *Oil, Politics and Seapower*, p. 71.
30. Boyd, "The Strategic Significance of the Malacca Strait," p. 28.
31. See Shao-chuan Leng, "Chinese Strategy Toward the Asian-Pacific," *Orbis* 19 (Fall 1975): 787-791.

III. US-PHILIPPINE RELATIONS AND INTERESTS IN A CHANGING POLICY CONTEXT

AMERICAN INTERESTS IN THE PHILIPPINES

Background

The United States acquired the Philippines and Guam by means of the Treaty of Paris of 10 December 1898 which ended the Spanish-American War. The US-Philippine relationship conformed to no preexisting pattern of colonial administration—it was a special arrangement involving what the US Supreme Court called "unincorporated territory."¹ Almost from the start, the United States Government and most of the American public viewed the administration of the Philippine Islands as a transitory tutelage, to prepare the Filipinos for independence—although ambivalence in American values and contradictions in Philippine politics delayed it.

The Democratic Party platform of 1916 pledged Philippine independence, as did the Jones Act passed in the same year, which became the authoritative statement on the problem for the next 19 years. In December 1932 the US Senate passed the Hare-Hawer-Cutting Act which again pledged independence to the Philippines after a 10-year period. The 1934 Tydings-McDuffie Independence Act placed Filipino affairs in the hands of a US High Commissioner, and created a Commonwealth government. During the next few years the Filipinos drafted their own constitution, instituted military training, and built a defense establishment, with General MacArthur as principal military advisor and *de facto* chief of staff to Commonwealth President Manuel Quezon. Fear of Japan persuaded Philippine authorities to request that a permanent dominion-like relationship be retained with the United States. Ten hours after Japan attacked Pearl Harbor on 7 December 1941, Japanese forces also attacked the Philippines. On 6 May 1942, with the capitulation of the last American and Filipino regular forces on Corregidor, the country came under Japanese control. Some Filipinos collaborated with the Japanese. Others took to the jungles and fought a bitter guerrilla war. When General MacArthur's forces liberated the islands, the Philippine government-in-exile returned. In May 1946 Manuel Roxas was elected the first President

of the new Republic of the Philippines and the country became formally independent on 4 July 1946.²

American tutelage of the Philippines left a heritage that included these important elements: the linking of the Philippine economy with the American economy, reliance on the United States for external security, and the imposition of an American social overlay on the Hispanicized and fragmented Philippine culture. This overlay involved dedication to an ostensibly American-style political system despite its lack of roots in Filipino tradition, use of English as the common language, and complete acceptance of the goal of universal education. Many of the main ingredients of US-Philippine relations were added in the first post-independence decade and lasted into the 1970's.³ These included the Military Bases Agreement of March 1947 which, as amended in 1965, afforded the United States relatively unencumbered use of major military facilities at Clark Air Base, the Subic Bay naval installation, and associated support and communications facilities. The bilateral Mutual Defense Treaty of August 1951 stated that each party considered that "an armed attack in the Pacific area on either of the Parties would be dangerous to its own peace and safety," and each "would act to meet the common dangers in accordance with their respective constitutional processes."⁴ The Mutual Defense Assistance Agreement of 1953 set the terms for US-Philippine military cooperation and provided the legal basis for US security assistance to the Philippines (equipment, training, and logistical support) which the Filipinos have viewed as essential to their armed forces development, and informally, as partial compensation for use of the military bases. Also important was the Laurel-Langley economic agreement (The Revised United States-Philippine Trade Agreement of 1955) which gave the Philippines assured and often preferential access to the American market for its principal crops, especially sugar, and until it expired in July 1974, provided US firms a highly favorable investment climate.

While the US-Philippine relationship has been characterized by some differences and the US military presence traditionally has been an issue around which local anti-American sentiment has focused, fundamentally the two countries have never been at real odds, and there has never been a move to break diplomatic relations. Both countries have found they needed each other and have gotten along well. The relationship, however, has had its aspects in which the Filipinos, drawn to cultural and technical aspects of the

American colossus, also have been irritated by the very superiority and implicit arrogance which some Americans convey in relations with them.⁵

American enjoyment of the Filipino culture and satisfaction with our overall tutelage sometimes contrasts with the disappointment when Filipinos do not "measure up" to US expectations. This creates inevitable frustration with them and some ambivalence about whether they are worth the money and effort Americans have put into the whole association. Basically the Philippines has been seen as an important—some argue vital or strategic—anchor of US policies in the Pacific, and along with Japan, one of the two most fundamental bilateral relationships the United States has in the entire Asian/Pacific/Indian Ocean region.

United States Interests in the Philippines

In order of priority, current American interests in the Philippines tend to focus on the following:

- Retaining the Philippines as a friend and ally so as to permit relatively unencumbered use of local military facilities.
- Maintaining US investments and special economic privileges in the country, while expanding US and multilateral trade on mutually beneficial terms.
- Encouraging the market economy of the Philippines to succeed, thereby averting socioeconomic chaos and/or political radicalism.
- Placing the US-Philippine "special relationship" on a more modern footing, thereby reducing its emotional and mendicant aspects.
- Encouraging the Marcos government to liberalize its treatment of political opponents.

MARCOS GOVERNMENT PRIORITIES

President Marcos and Martial Law

Ferdinand Marcos, the current President of the Philippines, was elected in November 1965. His inaugural address, like his campaign oratory, accented his determination to attack corruption and unemployment. "Our government," said the new President, "is

gripped in the iron hand of venality, its treasury is barren, its resources are wasted, its civil service is slothful and indifferent, its armed forces demoralized and its councils sterile." For the future Marcos promised he would demand fiscal restraint, an end to conspicuous consumption, preservation of the constitution, and socio-economic justice for the poor.⁶ Despite early efforts by the Marcos administration to economically improve the society and carry out land reform, old problems began to recur. Communist insurgency revived in Luzon, traditional inequities of wealth became divisive, and political violence grew. Government and business proved unable to absorb trained young people effectively and, later on, the Moslem separatist movement in Mindanao and the Sulu Islands flared up. Marcos won reelection in 1969—the first Philippine President to succeed himself by ballot—but local violence grew and the economy slowed. The 1969 election, like the one before it, brought the government treasury to the point of bankruptcy. In the months following the second election, the mood of the country began to change dramatically. **With instability and violence mounting on both the left and the right, near-paralysis in government, a constitutional convention foreshadowing the end of his tenure in 1973, massive corruption in public life, and a disastrous flood in central Luzon, President Marcos declared martial law on 22 September 1972.**⁷

Martial Law in the Philippines was met by mixed reaction from the American community. Critics of the Marcos government saw it as proof that the Philippine President, like Park Chung Hee in South Korea, was bent on staying in power regardless of the costs to the country's constitutional-political process. Marcos' supporters argued that the Philippines was teetering on the brink of anarchy—that something had to be done. It is clear that martial law, what President Marcos prefers to call "constitutional authoritarianism," caused immediate improvements in conditions of law and order; and Manila's "guns and goons" atmosphere quickly changed. Severe controls were placed on the often raucous press, and about 5,000 people were arrested including a number of law-breakers, journalists, and political oppositionists.⁸ The number of private firearms in circulation became a first target of the crack-down.

Politics in the Philippines

Either to make the suspension of civil liberties more palatable (according to his critics) or to launch a new effort to uproot portions of the traditional elite (argued by his spokesmen) or possibly both, President Marcos announced his "New Society"—a kind of Filipino mixture of New Deal and Great Society rhetoric and goals. Under the New Society economic spurts occurred, although the promised land reform has been only partially carried out—about nine-tenths of the land is still tied to a few hundred families—many of whom have relatives in top government posts. Indeed the evidence is significant that Mr. Marcos, rather than disrupting the general oligarchical pattern of Philippine economic and political power, which would seem to be the logical result of a "New Society," has left most segments of the rural elite and upper middle classes intact while drastically centralizing the power of the executive branch of government at the expense of the legislative and judicial branches.

It is also widely reported that President and Mrs. Marcos have amputated the economic power of their political enemies by favoring friends and supporters in their business dealings. Particular aim has been taken at such powerful families as the Osmenas, the Laurels, the Lopezes, and the Arenetas—well-known political rivals—who once controlled business empires and had their own newspapers. A technique, it is reported, involves Presidential intervention in the granting of trade licenses and tax edicts, done by fiat—a power of the Presidency under martial law. The government also apparently has underwritten large loans for favored companies.⁹ In Manila virtually all the newspapers and television stations are now under the control of relatives or associates of President Marcos, who in June 1978 also took the Office of Prime Minister, or of Mrs. Marcos. Imelda Marcos, appointed by her husband as Governor of the Manila metropolitan area, and holding a cabinet post, is also Chairman of the Board of the Cultural Center of the Philippines, a group with interests in some of the city's largest new hotels. Most likely she will be appointed Deputy Prime Minister by her husband.¹⁰

Whatever the degree of the Marcos and Romuldez families' personal gain in the system, the President and Mrs. Marcos have succeeded in structuring power in the Philippines more tightly and centrally than ever before, but it is still a fundamentally

oligarchical-elitist system in which the few continue to benefit to the exclusion of the masses.

The Philippine political system which the Marcoses inherited represented the legacy of the indigenous Malay culture, with its emphasis on the extended family or clan (known as "barangay"), combined with 400 years of Spanish overlay, which institutionalized patron-client networks and created the oligarchical system of a few very wealthy landed families ("compradors") supported by a mass of poor peasants with a half century of American-style democratic institutions and commitment to mass education.¹¹ As the system worked up to the early 1970's, it relied on several hundred families who controlled the major banks, industrial enterprises, real estate, and sugar plantations. The more powerful private oligarchs had their own armies. Thus the roots of Philippine political power lay in these geographically dispersed family fiefdoms, who resisted reform and sought to purchase elections.¹² This old political order is on the way out. But in its place, especially since martial law in 1972, new oligarchies have replaced older ones, and the checks and balances originally provided by the legislative and judicial branches, and the trade-offs between the two principal political parties, have atrophied. It is no accident that prominent figures from three of the oldest and wealthiest political families in the Philippines—which also happen to be political enemies of Ferdinand Marcos and Imelda Romuldez Marcos—have been jailed under martial law.¹³ Senator Aquino, who has been in jail since late September 1972, has managed to turn the episodes in his 4-1/2 years of trials into emotional and sometimes significant public challenges to President Marcos.¹⁴ Had it not been for martial law, the wealthy Aquino probably would have been the Liberal Party's Presidential candidate in 1973 and, given Marcos' slipping popularity, the next President.

Under the Marcoses, Philippine politics continue to depend on webs of mutually reinforcing obligations based on extended family ties and patron-client relationships. Filipinos tend not to distinguish between the man and the job. Personal obligations and desires tend to dominate behavior, including that of people in positions of public trust. Nepotism is an integral part of Philippine life.¹⁵ This "privatization" of public office has produced widespread graft and caused bankrupting spending on the typically carnival-style elections.¹⁶ It has continued in the Presidency of Ferdinand Marcos. Family ties and patronage remain the key to

getting things done despite frequent pronouncements by the President against corruption in government (followed by admissions that corruption, factionalism, and "new oligarchies" are currently rampant in the Philippines).¹⁷ Martial law, or its equivalent, despite periodic changes—such as allowing elections for a new Interim National Assembly—is probably a long-term trend in the Philippines. It is an authoritarian, centralized political system, and the President and his officials will not hesitate to clamp down on human rights and political dissidence to survive.¹⁸ On 17 December 1977, in the fifth national referendum he has held on continuation of his rule, President Marcos won a "yes" vote by 90.6 percent according to official figures. Such an oligarchical, personalized, and authoritarian system places considerable obstacles in the way of American policies designed to encourage more liberal solutions and a redistribution of political power in the Philippines.

The prospects of the Marcoses staying in power remain high. Nevertheless, the opposition is active and insurgency is being waged in the Philippines. Manila must contend with the neo-Huk "New People's Army" (NPA) movement operating in northern and southeastern Luzon, although key arrests have weakened the Luzon insurgencies, which have between 2,000 and 5,000 hard-core members. More dangerous is the Moslem violence in the deep south which is focused around the guerrilla faction known as the Moro National Liberation Front.¹⁹ The Moslem rebellion, which boiled over in late 1972, has tied up nearly 100,000 government troops and in 1978 may cost the government upwards of \$1 million a day. During 1976 President Marcos made some gains against the Moslem problem: their arms supplies from nearby Sabah were drastically reduced, various socioeconomic programs were launched in afflicted areas, and portions of the rebel leadership were amnestied or bought off. In late 1976 negotiations with Colonel Quaddafi in Libya, who has been the primary outside source of support to the Philippine Moslems, also brought some success; a cease-fire was announced and a referendum on local rule in thirteen southern provinces was scheduled for the spring of 1977. The referendum was cleverly orchestrated by the Manila government but it did not produce an end to the fighting. The "truce" crumbled in the fall of 1977. Subsequent claims by Manila that the violence was a mere "police-action" and that the cease-fire was still on were belied by the October 1977 ambush massacre of one of the government's generals and 34 other officers and men, by

continuing government force casualties, throughout 1978 and 1979, and by the President's admission in November that between 500,000 and 1 million civilians have been displaced by the fighting and between 30,000 and 50,000 had been killed since 1973.²⁰ By the end of 1978, in spite of continuing attempts by the Marcos government to buy off, give amnesty to, or eliminate the rebel leadership, the fighting continued.

In foreign policy the underlying key priority for the Marcos government remains the relationship with Washington and the role of the bases in that relationship. Martial law in the Philippines gave President Marcos and his Foreign Secretary, Carlos Romulo, more maneuver room in foreign policy. Coincident with Marcos' appeals to nationalism and efforts to demonstrate independence from the United States, the President has made a strong pitch for Filipino influence in Asia. Symbolic of this was his 23 May 1975 Manila statement on foreign policy priorities which *publicly* put ASEAN, PRC, USSR, and Third World ties higher up the scale than relations with the United States.²¹

Accompanying these pronouncements have been campaigns by Manila to win new friends among China and other Third World countries. ASEAN is now a cornerstone of Philippine foreign policy, and Mr. Marcos has gone out of his way to court Middle Eastern governments which can ease the Philippines severe energy and insurgency problems. Normalization of relations with Peking came in June 1975, and subsequent queries were made to Hanoi, Phnom Penh, and Vientiane. Manila and Moscow normalized relations in 1977. President Marcos advocated the phase-out of SEATO as an institution, and he has endorsed ASEAN's call for the "neutralization" of Southeast Asia. As a result the Philippine Government now has a larger international audience to play to, and listen to.²²

The Marcos government first brought up the question of the US bases utility in January 1969 just before President Nixon's inauguration. Since then intermittent pronouncements on the problem, sometimes employing anti-American rhetoric, have been heard. The Communist takeovers in Indochina in the spring of 1975 accelerated expressions of concern in Manila about the reliability and future meaning of the American defense commitments. United States humanitarian evacuations of Indochinese refugees resulted in temporary difficulties between Manila and Washington when the

Marcos government placed restraints on use of Clark and Subic during the evacuations. In subsequent statements, President Marcos indicated his intention to obtain a clear affirmation of sovereignty over US military bases. "We believe our position is just," Marcos remarked in a November 1976 interview.

How can anybody question our sovereignty in our land? Those bases are called American bases. What dignity do we have before other countries with US bases on our territory? So let's call them Philippine military bases, and let's give the US facilities there in order to maintain its presence in this part of the world and defend us if necessary.²³

American-Philippine negotiations on the bases continued through 1977 and 1978. Under the previous agreements the United States could legally retain full access to the bases through 1991, but the Filipino position asked for new legal, personnel, compensation, and sovereignty arrangements. Marcos in particular wanted a far greater say over the operation of the bases, a large compensation package, and the right of Philippine Courts to make the final determination of whether an act or omission by a US serviceman arose out of performance of official duties. Manila probably concluded that after American control was modified, the Philippine Government might also be able to rent, or develop, other portions of the bases with foreign help for economic or industrial purposes. The Japanese firm of Kawasaki has expressed a desire to construct a shipyard at Subic Bay, and Marcos apparently would like to see facilities made available to other countries.²⁴

Marcos Government Priorities

The preceding analysis demonstrates that the Philippines has many of the fundamental problems of any less-developed, energy-poor country, and has special problems with its most important ally. In their probable order of priority, we can summarize the Marcos government's concerns as follows:

- To control, neutralize, or eliminate internal political opposition, dissension, and insurgency.
- To keep the United States as a friend and ally—but to end what Manila sees as the more vexing and visible aspects of the Philippine-US "special relationship."

- To strengthen the economy of the Philippines through broad programs of family planning, domestic industry, infrastructure development, and foreign exchange earnings.
- To attract continued foreign assistance, both multilateral and bilateral and, as a part of this, to keep access to US special economic preference programs.
- To eliminate formal US control of the bases, and extract from the United States a new compensation agreement which maximizes US assistance and Philippine nationalist credentials.
- To emphasize, primarily for Third World audiences, the Philippines drive for self-sufficiency and autonomy.

COMMON GROUND

Recent history suggests that fundamental, shared commonalities between America and the Philippines continue to be strong, and they prompt the possibility of a long-term military basing arrangement and continued cooperation between the two countries. These shared general interests include a desire by both countries to retain the bilateral defense tie, the need by both to remain on friendly terms, and the mutual desire to keep a reciprocally advantageous economic relationship.

There also are numerous specific ties and unique associations which bind the United States and the Philippines together and complicate any fundamental rupture between the two countries. These ties constitute the "special relationship" whose statutory, financial, and psychological elements include:

- benefits to Filipino veterans for service in the US Armed Forces.
- social security payments to Philippine citizens.
- large numbers of Filipinos with established or latent claims to US citizenship. (There are over 1 million ethnic Filipinos residing in the United States.)
- many US educational programs in the Philippines, and the attraction of educational opportunities in the United States—all deriving from special emphasis placed on education in the pre-Independence period.

- the attraction of travel and immigration to the United States.
- a variety of complex business and financial arrangements beneficial to both sides. (The United States maintains a private investment of over \$1 billion in the Philippines. The private resident American community of approximately 25,000 is the largest in any Asian country.)

President Marcos has stressed Philippine self-reliance and his desire to end the "special relationship" with the United States. But the special relationship goes back to 1898 and it colors the Philippine government's approach to relations with the United States and the military base question. This relationship makes it difficult for Filipinos to react in detached fashion to America and things American. Elements of the special relationship are fixed by US law, and as such, benefit both countries. It would be impossible, and unnecessary, to try to liquidate the entire structure, but it is evolving to one of more equal partners rather than senior and junior participant. As Marcos said in a November 1976 interview: "Remember, whatever we might say about the termination of special relations, the fact is that we are closer to the US than to any other country."²⁵

Following the breakdown of the base negotiations in October 1976, and the unsuccessful attempt to patch things up that December at the Mexico City meeting between Secretary Kissinger and Secretary Romulo, Manila and Washington turned to other matters. The new Carter administration had to sort out its priorities, and the Manila government was occupied with the Moslem cease-fire arrangements. In late summer 1977, new meetings took place and in November, negotiations recommenced between Washington and Manila.

CHAPTER III ENDNOTES

1. Following Senate ratification, the Philippines became an American possession on 6 February 1899. Details are in Salvador P. Lopez, "The Colonial Relationship," ed. Frank H. Golay. *The United States and the Philippines*, The American Assembly, Columbia University (Englewood Cliffs, NJ: Prentice-Hall, 1966), pp. 7-31.

2. A concise summary is in Claude A. Buss, *The United States and the Philippines: Background for Policy* (Washington, DC: American Enterprise Institute, 1977), pp. 1-22.

3. One of the most pointed nationalistic attacks on the American-Filipino relationship which, while exaggerated, underscores many of the emotional and psychological pressures felt by Filipinos—and typifies left-of-center thinking in Philippine politics—is Benigno S. Aquino, "What's Wrong with the Philippines?" *Foreign Affairs*, July 1968, pp. 770-779.

4. The United States and the Philippines also are tied together by the Southeast Asia Collective Defense Treaty, known as the Manila Pact, which was signed in 1954 and whose original signatories were Australia, France, New Zealand, Pakistan, the Philippines, Thailand, the United Kingdom, and the United States. The Southeast Asia Treaty Organization (SEATO) was dissolved in the summer of 1977, but the defense treaty continues in force.

5. Historical experience, supported by recent survey research data, indicates there are strong psychological underpinnings in the Filipino mentality which both attract Filipinos to and repel them from the American way of life and style. Relevant is W. Scott Thompson, *Unequal Partners: Philippine and Thai Relations with the United States, 1965-75* (Lexington, Mass.: Lexington books, 1975), pp. 63-67.

6. Excerpts from President Marcos' first inaugural address are analyzed in Buss, *The United States and the Philippines*, op.cit, p. 46.

7. For background to the martial law decision see John H. Adkins, "Philippines 1972: We'll Wait and See," *Asian Survey*, February 1973, pp. 140-150; Judith Stowe, "Philippines: The Need for a New Society," *Conflict Studies*, No. 37, August 1973 (London: The Institute for the Study of Conflict, 1973); W. Scott Thompson, *Unequal Partners*, pp. 137-141; Robert O. Tilman, "The Philippines under Martial Law," *Current History*, December 1976, pp. 201-204, 225; Claude A. Buss, *The United States and the Philippines*, pp. 58-62, 65-68, and Lela Garner Noble, "Emergency Politics in the Philippines," *Asian Survey*, April 1978, pp. 350-362.

8. Buss, *The United States and the Philippines*, p. 72.

9. See David Wurfel, "Martial Law in the Philippines: the Methods of Regime Survival," *Pacific Affairs*, Spring 1979, pp. 10-11. Recent instances of financial favoritism reportedly involve the Bataan nuclear power plant contract (Westinghouse), activities of the Philippine Sugar Commission, automobile franchises, and other businesses ranging from logging, to department stores and tourist industries. See, for example, Jay Matthews and Bernard Wideman, "Martial Law Benefits Marcos' Friends," *Washington Post*, 19 December 1977, p. A-23, and Fox Butterfield, "Marcos,

Facing Criticism, May End \$1 Billion Westinghouse Contract," *New York Times*, 14 January 1978, pp. 16.

10. Fox Butterfield, "Power of Philippine Ruler Growing," *New York Times*, 9 January 1978, pp. A-1, A-8; and Jay Mathews, "The Philippines' Imelda Marcos Awaits the Call to Power," *Washington Post*, 22 September 1978, p. A19; and Kit G. Machado, "The Philippines 1978: Authoritarian Consolidation Continues," *Asian Survey*, February 1979, pp. 133-135.

11. See Carl H. Lande, *Leaders, Factions, and Parties: The Structure of Philippine Politics*, Monograph Series, Southeast Asia Studies, No. 6 (New Haven Conn.: Yale University, 1964). Also see F. Landa Jocano, ed., *Filipino Cultural Heritage—A Lecture Series*, No. 2 (Manila: Philippine Womens University, 1966), as cited in and interpreted by Justin J. Green, "Children and Politics in the Philippines: Socialization for Stability in a Highly Stratified Society," *Asian Survey*, July 1977, pp. 669-670.

12. Nena Vreeland, et al., *Area Handbook for the Philippines*, Second Edition, DA Pamphlet 550-72 (Washington, DC: Government Printing Office, 1976), pp. 216-217.

13. These are Senator Benigno Aquino, Sergio Osmeño III, and Engenio Lopez, Jr. See the analysis by Lela Gardner Nobel in "Philippines 1975: Consolidating the Regime," *Asian Survey*, February 1976, pp. 178-185. On 1 October 1977, Lopez and Osmeña, in what appears to have been a well-financed plan, escaped from Manila's Fort Bonifacio prison and flew to the United States.

14. A relevant summary is Rodney Tasker, "Aquino Takes a Swipe at His Accusers," *Far Eastern Economic Review*, 16 December 1977, pp. 18-19. Also see Jay Mathews, "New Crackdown Dims Hope of Easing Philippine Martial Law," *Washington Post*, 7 May 1978, p. A25.

15. Jean Grassholtz, cited in Vreeland, *Area Handbook for the Philippines*.

16. See Robert O. Tilman, "The Philippines in 1970: A Difficult Decade Begins," *Asian Survey*, February 1971, pp. 139-148, and W. Scott Thompson, *Unequal Partners: Philippine and Thai Relations with the United States 1965-75* (Lexington, Mass.: Lexington Books, 1975), pp. 66-68, 142.

17. For example, see President's Marcos' remarks on 19 September 1975, made at Luneta Park in Manila. Robert Shaplen, "Letter from Manila," *The New Yorker*, 3 May 1976, pp. 83-86, 88-106.

18. For an insightful analysis, see Peter R. Kahn, "The Philippines Without Democracy," *Foreign Affairs*, April 1974, pp. 612-632.

19. For background see Judith Stowe, "Philippines: The Need for a New Society," pp. 12-20; Robert Shaplen, "Letter from Manila," *The New Yorker*, 3 May 1976, pp. 99-101; Justus M. Van der Kroef, "The Philippines," in John Staar, ed., *Yearbook on International Communist Affairs* (Stanford Conn: Hoover Institution Press, 1976), pp. 359-371; and Lela Garner Noble, "The Moro National Liberation Front in the Philippines," *Pacific Affairs*, Fall 1976, pp. 405-424.
20. Rodney Tasker, "Philippines: Peace takes a Bloody Knock," *Far Eastern Economic Review*, 21 October 1977, p. 30; Fox Butterfield, "As Philippine Truce Fails, End of Moslem Revolt Appears Far Off," *New York Times*, 11 November 1977, p. A-14; Rodney Tasker, "Philippines: Marcos Meets Relief Bill," *Far Eastern Economic Review*, 18 November 1977, p. 23; and Jay Mathews, "Killing Goes on Year after Cease-Fire in Philippine Civil War," *Washington Post*, 12 December 1977, p. 16; Machado, "The Philippines 1978," pp. 137-139; and Sheilah Ocampo, "Marcos Still Calls the Shots," *Far Eastern Economic Review*, 10 August 1979, p. 26.
21. Claude Buss, *The United States and the Philippines*, pp. 83-84, and Tilman Durdin, "Marcos Takes Multifaceted Foreign Path," *Pacific Community*, July 1976, p. 569.
22. *Ibid.*, pp. 570-572.
23. *US News and World Report*, 22 November 1976, p. 65.
24. Buss, *United States-Philippine Relations*, pp. 90-91.
25. As interviewed in *US News and World Report*, 22 November 1976, p. 65.

IV. NEGOTIATING WITH PRESIDENT MARCOS ABOUT THE BASES

In the past, Washington has tended to avoid any hint of linkage between US use of the bases and the military assistance it provided the Philippines. In contrast the Philippine governments, even before Ferdinand Marcos, argued that there was a *quid pro quo*, and furthermore that US assistance has never been nearly enough, that we have been niggardly with them.¹ Nevertheless, Manila did not dramatize this position until after Mr. Marcos' second election, perhaps for fear that raising the stakes would undermine the broader US-Philippine defense relationship. Following the Communist takeover of the Indochina states, however, Manila became much more assertive. Filipino negotiating tactics involved expressing doubt about American will, and implying that Washington might draw the Philippines into a conflict it had no interest in—that the bases are a nuclear target because US forces are stationed there. Then there has been concern about the dependability of the United States as an ally. In his speech of 23 May 1975, President Marcos said:

It is difficult if not impossible to stake the (Philippine) nation's survival on whimsical interpretations of the mutual defense agreements which are apparently dependent not on legal commitments but on the mood of the nation in any given historical period.²

While Marcos was clearly playing upon the American concept of legality—a concept which has much less salience in the Malay world, of which the Philippines is a part—the speech also reflects an accurate appraisal of American constitutional and legal constraints on executive branch action. In fact, the Philippine government has always wanted a NATO-type defense treaty with the United States, one which would immediately and automatically commit US forces to the defense of the Philippines, rather than having to wait out congressional debate. “This must be clarified,” said President Marcos. “If the US is not prepared to go to war unless its bases come under attack, we should know now. We would like it to be in writing, so we can prepare for it.”³

For over 20 years Manila and Washington have sought to “clarify” the interpretation of the August 1951 Mutual Defense Treaty—usually, but not always, at the request of the Philippines.

According to the treaty, each party recognized that an armed attack in the Pacific area or in its homeland on either party would require each to act to meet the common danger "in accordance with its constitutional processes."⁴ The Filipinos have always been a little nervous about this latter phrase—arguing that it contrasts decidedly with NATO treaty stipulations. In September 1954, Secretary of State Dulles, without congressional assent, broadened US interpretation toward a more automatic involvement on behalf of the Philippines, stating that an attack on the Philippines "could not but be also an attack on the military forces of the United States." President Eisenhower, in a joint communique with President Garcia in June 1958, reaffirmed the basis of the Dulles interpretation, stating that any attack against the Philippines "would be instantly repelled." The next year US Ambassador Bohlen and Philippine Foreign Secretary Serrano repeated and reaffirmed these understandings—again without congressional action. In 1964, 1966, and 1968 the Johnson administration continued the process of reassuring the Philippines.⁵ Following the election of Richard Nixon and the start of US force drawdowns from the Pacific, as the internal violence in the Philippines heated up, the Marcos government became increasingly jittery about the US defense commitment. Would the Americans respond if the Mindanao insurgency got out of hand? What if the Philippines become involved in a conflict with Malaysia, or over offshore oil in the South China Sea? What if an external attack occurred on Philippine islands where no US troops were stationed? These were exactly the kind of questions that senior Members of the US Congress also were asking.⁶ The questions remain unanswered in public and undoubtedly constitute part of the current negotiations agenda between Manila and Washington.

While taking cognizance of the Philippine position, Washington has pointed out to Manila the importance of US military spending in the Philippines, and that it now accounts for at least \$200 million per year. A second point is that the bases reaffirm the credibility of the US defense commitment since US forces are there in the Philippines for all to see and because the facilities and troops allow close planning and joint exercise of the two governments' armed forces. United States authorities have pointed out the advantages of joint training, disaster relief, and other benefits which derive from cooperation between the two governments and the use of the bases. The Marcos government argued publicly that

US bases could draw the Philippines into conflicts in which it has no interests.

CHAPTER IV ENDNOTES

1. It is a familiar argument often repeated for the benefit of Americans. As a ranking Filipino commented:

It's not really fair that we get this kind of treatment. After all, after World War II, we were a devastated country. The common feeling among veterans who fought alongside the Americans is that we didn't get a square deal, that enemies like Japan got a better deal from the Americans.

U.S. News and World Report, 29 August 1977, pp. 29-30.

2. As cited in Claude A. Buss, *The United States and the Philippines: Background for Policy* (Washington, DC: American Enterprise Institute for Public Policy Research, 1977), p. 89.

3. Marcos interviewed in *U.S. News and World Report*, 29 August 1977, p. 30.

4. *Mutual Defense Treaty Between the United States of America and the Republic of the Philippines*, Article IV, signed in Washington on 30 August 1951. The treaty entered into force on 27 August 1952.

5. US, Congress, Senate, Committee on Foreign Relations, *United States Security Agreements and Commitments Abroad, Hearings, before the Subcommittee on United States Security Agreements and Commitments Abroad*, Vol I, Pt 1. 91st Cong., 2d sess., 1971 (Washington, DC: Government Printing Office, 1971), pp. 6-25.

6. Buss, *The United States and the Philippines*, pp. 113-119.

V. OPTIONS FOR THE UNITED STATES

Two extreme policy prescriptions about the Philippine bases have been periodically heard. Proponents of these proposals lay on opposite ends of the political spectrum and generally reflected only fringe thinking in the United States and the Philippines. But their arguments tended to color the complexion of negotiations between Washington and Manila and, as such, they represented political factors which could not be ignored.

The first prescription belonged to the far right and called for the United States to resist any movement on the bases, a sort of extreme Panama Canal stance applied to Subic Bay and Clark. Legally, of course, the United States had guaranteed access to the bases through 1991 and the agreement cannot be unilaterally terminated. However, a policy of doing nothing, of ignoring the Philippine position, would have been dangerous. It would fly in the face of Philippine nationalism and might prove to be the tinder which could ignite a conflagration. On the other side lay the policy course which would have the United States vacate the Philippine bases, unilaterally withdrawing from them, and implicitly giving up a forward deployment strategy in the Western Pacific.¹ Such a course of action would result in abandoning the capability to project a quick reaction naval/air presence into the South China Sea and, more importantly, into the Indian Ocean.

Clearly, neither of these two policies made any sense because they both added up to the same thing: The United States would leave the Philippine bases either by being thrown out or by unilaterally vacating them. That would mean the abandonment of a US strategic presence in Southeast Asia and essentially terminate US ability to operate in the Indian Ocean.

Accordingly, US policy ought to be, and has been, to seek continued, effective access to the Philippine bases. Three administrations, Nixon, Ford, and Carter, held this position. As demonstrated in Sections II and III of this study, the bases allow the United States to project naval and air power into the South China Sea and to back up our military presence in Northeast Asia. Secondly, the bases are positioned directly astride the oil lanes which carry almost all of the imported energy requirements of four US Asian allies or friends. Third, Subic and Clark are critical to the projection of American military power into the Indian Ocean.

It must be emphasized that the choice was not between continuing the full base facilities which the United States now enjoys and having no facilities at all. The range of choice involved continued, although somewhat modified, utilization for a price. To work it out, the United States would have to give in to some Philippine demands, placating President Marcos in terms of sovereignty and cosmetic questions ("Filipinization") and reimbursing the Government of the Philippines (GOP) through expanded security and economic assistance. There has been no rush to settle, and vagueness about an end to the negotiations was not a vice in this regard. Indeed, delays appeared to be to the advantage of both sides. For President Marcos long, drawn-out negotiations allowed him to keep the issue before the Philippine public and the Third World, proving his nationalistic credentials almost at will. Furthermore, the Moslem violence in the south has been a much more pressing problem for Marcos. For the United States, which under the Carter administration had bigger and more pressing problems to deal with—SALT, the Middle East, southern Africa, and the Panama Canal—there was no hurry. In the words of one authority, "It is possible the United States and the Philippines will continue to talk on and on, without reaching agreement and this would be okay with both sides. Marcos would have the issue. The United States would have the bases."²

The basic issues between the United States and the Philippines fell into two broad categories: The Military Bases Agreement (MBA) and the Mutual Defense Treaty (MDT).

THE MILITARY BASES AGREEMENT

The problems involved the following:

(1) Money and tenure—the size of the base payment and its character (the mix of economic assistance and military assistance—grants, loans and sales credits), the length of the agreement, and the renewal stipulations. Since the breakdown of Marcos-Ford negotiations in October 1976, and subsequent US congressional delegation visits and Carter administration consultations with Manila, Mr. Marcos and his negotiators gained a more realistic appraisal of what was feasible from the US Congress in terms of a financial *quid pro quo* for use of the bases. By mid-1977 no one on either side talked anymore of a \$1 billion figure, or "rent." What instead appeared likely to come out of the negotiations

was increased US security assistance for both equipment and training, leavened with mixtures of grants credits, and loans, possibly on a multi-year basis. The still unresolved status of the Greek and Turk base payment arrangements was studied by Manila. It seemed likely the Philippines would ask for aid and new military items, which the United States might grant, lease, or sell in some combination. That, plus increased economic assistance, administrative training, and support would probably constitute the new bargain.³

(2) Sovereignty questions—the extent of official Filipino presence (and symbols) on the bases, and their involvement in the actual functioning/control of the facilities, command of personnel, perimeter defense. President Marcos had elevated the issue of “manifestations of sovereignty” far out of proportion to what the facts were or are. The United States has turned back to the Philippines over 75 percent of the land areas it was using for military purposes at the end of World War II. Major portions of Clark Air Base have been returned to Philippine custody for agricultural use, and more may be planned.

(3) Criminal jurisdiction over US personnel—revisions in the arrangements under which US servicemen can be prosecuted under Philippine law and in Philippine courts for incidents involving Filipino nationals both on and off the bases. The original 1947 MBA had an on-base (US), off-base (GOP) jurisdictional arrangement. This later became inconsistent with the principle of “joint concurrent jurisdiction” and, as previously amended, the MBA granted the United States the right to determine whether an American serviceman involved in an incident was acting in a situation which grew “out of performance of duty.” This is a right the United States insists on in every country in the world where it stations military personnel. the Filipinos have argued that this was “completely inconsistent” with their sovereignty, and they ignored its acceptance by other American allies. Indeed, no other ally has refused to waive its right to concurrent jurisdiction in anywhere near as many cases as have the Filipinos.⁴ Administrative inertia, instances of political tampering, and less than professional standards have resulted in huge delays in the Filipino court system where they exercise authority—which, incidentally, is the case in over 95 percent of all incidents involving US service personnel in the Philippines.

(4) Business concessions—which local businessmen and workers would be allowed to work on the bases, the nature of the contract arrangements, and whether their income could be taxed by the Philippine Government. The Philippine Government's income tax revenue effort is administratively awkward, slow, and unsystematic. As with any underdeveloped country's finances, the GOP's taxation sources are unevenly spread, and collection and enforcement tend to be haphazard. Taxing the income of Filipino workers on the bases is highly desirable from Manila's viewpoint because the American wage system is visible, completely routine, and administratively simple. The GOP wanted to place more of their tax, customs, and administrative officials on the bases both as a collection means and as a manifestation of sovereignty.

THE MUTUAL DEFENSE TREATY

The problem involved interpretations and possible revision of the treaty—whether previous US and GOP executive statements about the treaty bind the United States to a more automatic NATO-type defense of the Philippines in the absence of US congressional assent and written legislation. Until mid-1977, the Marcos government chose to iterate its desire for a treaty which would provide for automatic US military intervention regardless of the contingency. Arrangements which the United States has with European allies were cited. Yet no other Asian ally of the United States has a NATO-type treaty and it was unlikely that Manila believed it could get one. The GOP appeared ready to live with US "constitutional processes."

As the United States and the Philippines negotiated these issues, American policy could operate from the reality that the Philippine government desired and needed to remain on friendly terms with the United States because of the many ties which created public anticipation of continued good relations, because of the economic markets and preferential treatment which the United States provided, and because, in a manifestly uncertain and insecure world, a bilateral security tie with the United States is not something to treat capriciously. Accordingly, for all his rhetoric, as the history of close and mutually beneficial ties demonstrates, President Marcos very likely wanted to retain a major American military presence at Subic and Clark. He, like most of his countrymen, sees the bases as important to overall Philippine interests. But the Philippine President also aims to extract maximum

financial and psychological concessions from Washington in return for continued US access.⁵

The basic desire of the Philippine Government to keep the United States as a friend in the area gave the United States some leverage, delicate though it was. Washington could continue to point out to President Marcos and his officials the value of the security tie, of US security assistance programs and the many military-to-military ties which join the two countries and their officer corps. It is among the older Filipino officers, who were trained in the United States, or fought side by side with Americans in World War II, where the United States continues to have its core support in the Philippine Armed Forces.

The continuing desire of the GOP for special economic treatment, despite its expressed wish to end the "special relationship," also allows the United States some leverage. Manila continues to seek preferential tariff and trade quotas, and assured duty-free access to the American market beyond the US generalized system of preferences. Three basic Philippine products—mahogany wood, coconut oil, and sugar—receive highly privileged treatment in the American market. These advantages are not to be thrown away while the Philippine economy remains badly underdeveloped, while the country continues under a chronic debt load due to extensive foreign borrowing, and as the population explosion doubles the population in the next 25-30 years. In the post Laurel-Langley period, the Philippine Government has behaved responsibly in attracting new loans and investment capital from the United States: Manila is not about to punish US investors in some capricious act of nationalism.⁶

Philippine vulnerability on the energy issues also plays into American hands to some extent. The Marcos government cannot take a hardline position on North-South issues because the Philippines is almost completely dependent on imported Arab oil. Manila has recently established a Western Command on Palawan Island, which has responsibility for supervising Philippine garrisons in the Spratly Islands where oil exploration is underway. To date known Philippine oil deposits are negligible. It should be kept in mind that the United States is the leading world supplier of exploration technology, and that a safeguarding US naval presence is nearby. The possibility of a conflict with other nations in the Spratlys plays a role here, and there have been tensions among the four governments

which have established claims and/or placed military garrisons in the islands.⁷

The Marcos government also can observe that the US occupation of the bases makes a major contribution to the Philippine economy. It tends to make the Manila leadership uncomfortable when US officials mention that at least 25,000 Filipinos are directly employed on the bases, and two large satellite towns, Olongopo and Angeles City, are heavily dependent on American military spending. Neither city has a productive base to fall back on if the business with the bases is lost. Both cities have more than quadrupled in size in the last 10 years—by 1978 Olongopo had 200,000 residents, Angeles about 170,000. By 1978 United States military-related spending in the Philippines was pumping in at least \$200 million annually into the economy. One study has shown that the total impact of such spending (local purchases, construction, wages to Filipinos, and various US private spending), when reinforced by the multiplier effect (which stimulates further employment, helps finance imports, and supports the peso), could be on the order of four times the actual dollar figure—or almost 5 percent of the Philippine GNP.⁸ The bases are popular among Filipino workers.⁹

Arguments that also could be impressed on Manila are: that US military power is close by; that its continued role in the region is favored explicitly by other ASEAN governments, Singapore and Thailand, as well as a majority of all other Asian/Pacific nations; and that the American presence may augment, however indirectly, a generally benign security situation in the region. A caution here: President Marcos would like to see more US military assistance devoted toward the counterinsurgency in the south, and he probably hopes that the United States may pledge direct assistance should the Moslem violence escalate. Both actions would be dangerous for the United States, however, and would reverse recent US policies which have sought—generally with success—to wean the Philippine Armed Forces from their dependency making conventional and subconventional defense the primary responsibility of the local country.

RECOMMENDED POLICIES

The preceding discussion suggests that the Marcos government would not move toward a showdown with the United States

over the bases. Indeed, that proved to be the case. The two countries need each other too much and are tied too closely together. There is little question that the presence of American bases on Philippine soil tends to be an affront to Filipino nationalism, and Third World councils, to which Manila now pays more attention, have pilloried Marcos about the bases. A wise US policy toward the bases would reduce the obvious irritants as fast as possible, and give ground on the sovereignty questions where it will not functionally harm the US mission.¹⁰

Actions which can help include:

(1) Consolidating the land, runway, and storage spaces at Clark Air Base and vacating areas which are not necessary. The US Air Force does not need 130,000 acres at Clark. Transfer of portions of Clark back to Philippine custody, for purposes of farming or development, could be accelerated. This is the only logical alternative for Clark, and much more desirable than having to vacate the entire base. Significant action on Clark also ought to help assure a more favorable Filipino attitude on Subic Bay—which is more critical to US military requirements.

(2) Considering reducing the size of the US official presence in the Philippines as well as attending rapidly and fairly to incidents involving US Armed Forces and Filipino citizens. As of late 1978, there were over 63,000 Americans residing in the Philippines. The bases and their related functions draw almost 38,000 Americans including dependents. In addition, there are over 800 other US Government personnel and about 900 dependents in the Philippines. When combined with the large American business community in Manila, this highly visible US presence gives local anti-American extremists a *cause celebre*. It ought to be pared down.

(3) Moving toward an expanded assistance and compensation package—minus “rent”—for the bases. The proposals presented during the Romulo trip to Washington in October 1976 and in the Kissinger-Romulo negotiations of December 1976 are the precedents. Manila rejected the package, possibly out of desire for more money, but also because it undoubtedly wanted to wait and see what the Carter administration would propose. United States policy ought to make the grant portion of the total financial package as small as possible: putting most of the figure into credits and loans. Paying actual rent to a US ally is not done anywhere else in the world—no need to set a precedent in this case. The

risk, of course, is the unpredictability of the economic and military assistance levels, whose yearly funding faces a skeptical American Congress. Philippine human rights problems, plus long-term congressional cuts of foreign assistance, mean that US assistance levels cannot be *guaranteed* regardless of what kind of deal is negotiated between heads of state. This could give Washington some leverage on President Marcos in that it can argue validly that if the Manila government eases up on political dissidents, it will help the government's image in Congress. Mr. Marcos appears to be quite sensitive to his press in the United States, and in 1977 and 1978, he indicated that he was "irrevocably committed" to lifting martial law.

(4) Not granting a new Mutual Defense Treaty. It is not in the US interest to negotiate a new defense treaty with the Philippines. Let the treaty stand with its purposely vague clauses on the type of reaction the United States might make in case of an attack on the Philippines. Under no circumstances does the United States want to get drawn into the Philippine insurgency problems, her difficult relations with Malaysian Sabah, or the frictions around the Spratly Islands. If this is not good enough for the Marcos government, then Manila will have to reevaluate how badly it wants the American defense umbrella. The United States might have to remind Manila that she can press us only so far:

No country should imagine that it is doing a favor by remaining in alliance with us. . . . No ally can pressure us by a threat of termination; we will not accept that its security is more important to us than it is to itself. . . . We assume that our friends regard their ties to us as serving their own national purposes, not as privileges to be granted or withdrawn as a means of pressure.¹¹

(5) Undertaking some general economic measures, as an offset to the uncertain assistance question, which emphasize trade and investment. The Philippines measurably benefits from special US purchases of its basic products. Other special requests for general system of preference waivers could be considered. The attraction of foreign capital, through multilateral investment, ought to be impressed upon the Philippines as a proper long-term goal with regard to her external sources of development. Chronic borrowing from one or two countries creates dependencies and bitterness. The United States can encourage the Philippines to attract a broader spectrum of capital. Multilateral aid consortiums rather

than bilateral arrangements also help to defuse the political element. The US position toward the Philippine bases negotiation can be pitched within the larger rubric of emphasizing to the GOP ways of improving its whole economic profile of trade, development, and assistance. Increasing US compensation for use of the bases, while attractive to Manila for political reasons, will hardly solve the Philippines long-term economic problems. Should the Marcos administration become so greedy about this particular issue, it would run the danger of harming overall relations, security as well as economic, with the country that remains its single most important external benefactor.

THE AMENDED MILITARY BASES AGREEMENT

On 31 December 1978, the United States and Philippine governments announced that their negotiating teams had reached agreement on revisions to the basing arrangement.¹² On 4, 6, and 7 January 1979, in an exchange of letters between the United States and Philippine Presidents, amendments to the basing agreement of 1947 and other security assistance changes were published (see Appendix C). Details of these and other documents indicate that:

- (1) Some consolidation of land, runway, and storage at certain facilities will occur, including reversion of "large areas of land and water" to Philippine custody.
- (2) The amended MBA stipulates that:
 - (a) "The bases subject to the Agreement are Philippine military bases over which Philippine sovereignty extends."
 - (b) "The United States shall be assured unhampered military operations involving its Forces in the Philippines."
 - (c) Within the bases there are facilities designated for the exclusive use of US Forces.
 - (d) Philippine base commanders are appointed. The Philippine commanders and United States Forces commanders "shall be guided by full respect for Philippine sovereignty on the one hand and the assurance of unhampered United States military operations on the other." (The Philippine base commander is responsible for overall base security and administration. The US

commander keeps full custody of US facility, personnel, and operational matters.)

(e) The agreement continues in force until 1991, is terminable by either country after 1 year's notice, and will be reevaluated every 5 years.

(3) Concurrent with, but not a part of, the amendments to the MBA, President Carter pledged to President Marcos that the executive branch of Government will, during the next 5 fiscal years, make every effort to obtain congressional authorization for:

Military Assistance	\$ 50 million
Foreign Military Sales Credits	\$250 million
Security Supporting Assistance	\$200 million

(4) No new Mutual Defense Treaty was negotiated.

Gaining an acceptable basing agreement with the Philippine Government represented a critical challenge for United States policy. The successful final outcome to the negotiations should head off prospects for anti-Americanism in the Philippines. The ambivalence about overall US interests in East Asia and the Indian Ocean area has decreased. With the new arrangements, US-Philippine relations are now on a firmer footing as the United States and its allies and friends exercise their longer-term strategic interests in the Asian/Pacific/Indian Ocean theater.

CHAPTER V ENDNOTES

1. See Earl C. Ravenal, "The Case for Strategic Disengagement," *Foreign Affairs*, April 1973, p. 510.

2. As cited in *US News and World Report*, 29 August 1977, p. 30.

3. See Mr. Marcos' reference to "loans for economic projects . . . in lieu of outright military aid," *Far Eastern Economic Review*, 7 October 1977, p. 10. Also, refer to Bernard Wideman, "US, Philippines Near Pact on Military Bases," *Washington Post*, 8 December 1978, p. A24.

4. US NATO allies waive their right to concurrent jurisdiction over US service personnel in 90.5 percent of the cases. The Philippine Government waives it in 0.5 percent. *Report of Statistics on the Exercise of Criminal Jurisdiction in Foreign Tribunals over United States Personnel, 1 December 1975-30 November 1976* (Washington, DC: Department of Defense, 1977).

5. While Marcos flavors his rhetoric to fit his audience, his 1975 Philippine National Day remarks still are probably the most accurate reflection of the country's basic predisposition toward the United States: "The United States shall remain our good friend and firm ally, and none of the negotiations we enter into with respect to any of the security arrangements we have with that country should be construed as an effort to diminish our historic relationship."

6. For details on US-Philippine trade negotiations, see Laura Jeanne Henze, "US-Philippine Economic Relations and Trade Negotiations," *Asian Survey*, April 1976, pp. 319-337.

7. In addition to the Philippines, Vietnam and Taiwan currently occupy portions of the Spratlys. The PRC bases its claim to all the islands on the right of prior discovery (13th Century Yuan Dynasty) and subsequent administration, but has no naval, air, or ground presence in the area. Hung Dah Chiu and Park Choon Flo, "Legal Status of the Paracel and Spratly Islands," *Ocean Development and International Law*, Vol. 3, no. 1; and Martin H. Katchen, "The Spratly Islands and the Law of the Sea: Dangerous Ground for Asian Peace," *Asian Survey*, December 1977, pp. 1167-1181.

8. Douglas F. Loveday, *The Role of US Military Bases in the Philippine Economy*, RM-5801-ISA (Santa Monica, Calif.: RAND Corporation, April 1971).

9. Results of recent interviews are in *US News and World Report*, 29 August 1977, p. 30.

10. Such a policy was pledged by the Carter administration. See the joint Republic of Philippines-United States press release of 24 September 1977 following discussions between Foreign Secretary Romulo and Assistant Secretary of State Holbrooke in Manila.

11. Statement by Secretary of State Henry Kissinger, 23 June 1975, *Department of State Bulletin*, 14 July 1975, p. 52.

12. "US and Philippines Reach Accord on Aid and Use of Military Bases," *New York Times*, 1 January 1979, p. 4.

APPENDIX A

PHILIPPINE BASES

SUBIC BAY NAVAL BASE

- is a natural deep-water port which encompasses 26,000 acres of water and 36,000 acres of land
- has, on an average day, from 8,000 to 10,000 US 7th Fleet personnel
- has a collocated naval air station at Cubi Point
- houses eight separate naval commands
- has major ship repair facilities (does over 60 percent of all 7th Fleet repair work) and can handle 20 to 25 ships at one time
- incorporates the largest naval supply depot in the world (handles over 2.5 million barrels of POL and 1 million tons of other supplies annually)
- enjoys use of skilled Filipino laborers at wages approximately 1/7 of stateside wage scales
- injects about \$145 million per year into the local Philippine economy
- employs 37,000 Filipinos in direct or indirect hire.

CLARK AIR BASE

- acquired in 1903; home of US 13th Air Force since 1946
- covers 130,000 acres of land in Central Luzon (larger than the District of Columbia)
- directly employs a total of over 18,000 people of whom approximately 8,200 are US military and civilian
- is the major military communications center (with an orbiting satellite) and transit hub west of Hawaii for all airborne activities in the Western Pacific and from there into the Indian Ocean
- is the largest US air base in East Asia and third largest overseas, has all-weather runways that service about 12,000

traffic movements per month, can move 2,900 short tons and 3,500 passengers per day

- has the most sophisticated air force training facilities in Asia including missile firing ranges, gunnery practice fields, and an electronic warfare range
- constitutes about 90 percent of all USAF spending in the Philippines and pumps approximately \$60 million annually into the local economy
- has major stockpiles of war reserve munitions and would back up Japanese and Korean bases in case of a new war on the Korean peninsula
- serves as main US base of support for Diego Garcia

SAN MIGUEL NAVAL COMMUNICATIONS STATION

- serves as the center for all 7th Fleet naval communications

JOHN HAY AIR FORCE BASE

- facilities provide temperate rest and recreation
- serves as a regional conference site and training facility for all US Air Force, Navy, and Marine Corps elements in WESTPAC
- houses VOA transmitter facilities

WALLACE AIR STATION AT PORO POINT

- provides radar control for Philippines air defense system
- has a drone launch facility for PACAF intercept training

Source: Unclassified brierings by US authorities at Subic Naval Base and Clark Air Base, 1975, 1976, 1977; US Senate, *United States Philippine Base Negotiations*, Staff Report to the Subcommittee on Foreign Assistance, Committee on Foreign Relations, 7 April 1977.

APPENDIX B

GUAM AND TRUST TERRITORY OF THE PACIFIC ISLANDS (TTPI) FACILITIES

GUAM

- a US possession since 1898
- is 30 miles long by 5 to 11 miles in width
- houses Andersen Air Force Base which facilitates SAC B-52 forward staging in the Pacific
- has Apra harbor and collocated naval station which support 7th Fleet surface vessels and submarines
- provides storage facilities
- provides naval air reconnaissance and patrol capabilities
- provides secure, long-term communications functions

TTPI (MICRONESIA)

- administered by the United States under a UN Security Council Trust
- consists of some 2,141 islands spread over 3 million square miles of ocean
- contains about 130,000 people
- stretches from 500 miles east of the Philippines to within 2,000 miles from Hawaii
- the Northern Marianas Islands and the Palau District have potential locations of military value to the United States for limited deployed forces, communications, sea and air transport facilities
- isolated location of islands in other districts makes them ideal for some space and weapons research and tests (e.g., the Kwajalein Missile Range in the Marshalls)

Sources: Eugene B. Mihaly, "Tremors in the Western Pacific: Micronesian Freedom and US Security," *Foreign Affairs*, July 1974, pp. 839-849; Robert Trumbull, *Tin Roofs and Palm Trees: A Report on the South Seas* (Seattle and London: University of Washington Press, 1977); John C. Dorrance, *Micronesia's Future Status and the US Role in the Western Pacific* (Washington, DC: The National War College, 1 March 1975); and Ambassador Philip W. Manhard, *The United States and Micronesia in Free Association: A Chance to Do Better?* National Security Affairs Monograph 79-4 (Washington, DC: National Defense University, June 1979).

APPENDIX C

DOCUMENTS RELATING TO THE AMENDMENTS TO THE US-PHILIPPINES MILITARY BASES AGREEMENT OF 1947

**TEXT OF LETTER FROM PRESIDENT CARTER
TO PHILIPPINE PRESIDENT MARCOS
JANUARY 4, 1979**

THE WHITE HOUSE

Dear Mr. President:

I was pleased to learn that our negotiators have reached agreement on an amendment to the 1947 Military Bases Agreement.

In light of this development, I wish to state that the Executive Branch of the United States Government will, during the next five fiscal years, make its best effort to obtain appropriations for the Philippines of the following amounts of security assistance:

<i>Military Assistance:</i>	<i>\$ 50 million</i>
<i>Foreign Military Sales Credits:</i>	<i>\$250 million</i>
<i>Security Supporting Assistance:</i>	<i>\$200 million</i>

In addition, the United States will give prompt and sympathetic consideration to requests for specific items of military equipment to be provided under these programs, and to requests for the sale of other military equipment which your government may wish to purchase through U.S. government or commercial channels, consistent with the worldwide policies of this government with respect to the transfer of conventional arms.

In closing, let me state once again that I appreciate your personal efforts in bringing these negotiations to a successful conclusion. I believe that the amendment to which our two governments have now agreed will strengthen the security not only of the Philippines and the United States but also of the entire Western Pacific region.

*Sincerely,
Jimmy Carter*

*His Excellency
President Ferdinand E. Marcos
Republic of the Philippines
Manila*

EXCHANGE OF NOTES AMENDING THE PHILIPPINE-US MILITARY BASES AGREEMENT OF 1947

Excellency:

I have the honor to acknowledge the receipt of your excellency's note of January 7, 1979, which reads as follows:

"Excellency:

"On December 7, 1975, at the conclusion of US President Gerald R. Ford's state visit to the Philippines a joint communique was issued by Philippine President Ferdinand E. Marcos and US President Gerald R. Ford. The joint communique stated, inter alia, as follows:

'They agreed that negotiations on the subject of United States use of Philippine military bases should be conducted in the clear recognition of Philippine sovereignty. The two presidents agreed that there should be an early review of the steps necessary to conclude the negotiations through the two panels already organized for that purpose.'"

Also, on May 4, 1976, at the conclusion of US Vice President Walter F. Mondale's official visit to the Philippines, a joint statement was issued by Philippine President Ferdinand E. Marcos and US Vice President Walter F. Mondale, in which it was agreed that representatives of their governments would negotiate amendments to the Military Bases Agreement reflecting certain principles.

Copies of the joint communique of December 7, 1975 and the joint statement of May 7, 1978 are appended hereto for reference.

Representatives of our Government have since met and agreed to modification of the Philippine-United States Military Bases Agreement of 1947, as previously amended. Our representatives have agreed that:

"1. The bases subject to the Agreement are Philippine military bases over which Philippine sovereignty extends;

"2. Each base shall be under the command of a Philippine Base Commander; and

"3. The United States shall have the use of certain facilities and areas within the bases and have effective command and control over such facilities and over United States personnel, employees, equipment and material. Consistent with its rights and obligations under the 1947 Agreement, as amended, the United States shall be assured unhampered military operations involving its Forces in the Philippines.

"In implementation of the above, the two governments have agreed on the attached implementing arrangements with annexes and accompanying maps."

They have further agreed that:

"1. Only the Philippine flag be flown singly at the bases. The United States Flag, together with the Philippine flag which shall at all times occupy the place of honor, may be displayed within buildings, and in front of the headquarters of the United States Commanders and, upon coordination with the Philippine Base commanders, for appropriate outdoor ceremonies such as military honors and parades on the facilities.

"2. Development of base lands subsequent to this agreement, for other than military purposes, shall be accomplished in such a manner as to ensure that Philippine and United States military operations will remain unhampered and effective security of the bases will be maintained. The parties shall see to it that any such development will not limit the use of the facilities or in any way obstruct military operations, the safety of flight, navigation or the efficiency of communication or transportation.

"3. The provisions of the Military Bases Agreement of 1947, as previously amended, regarding grant and definition of bases, as set forth in Article I, Article XXVI and Annexes A and B of such Agreement are hereby superseded.

"4. In every fifth anniversary year from the date of this modification and until the termination of the Military Bases Agreement there shall be begun and completed a complete and thorough review and reassessment of the Agreement including its objectives, its provisions, its duration, and the manner of implementation to assure that the agreement continues to serve the mutual interests of both parties.

"The two parties take note of the economic and social conditions in the areas surrounding the bases and express their joint interest in developing programs designed to upgrade them.

"The two parties also take note of the decision by the Government of the Philippines to assume responsibility for perimeter security at the bases. This should significantly decrease contacts between Filipino civilians and American servicemen on official duty involving security. The parties also note the decision of the United States to retain accused personnel in the Philippines for a reasonable time, and to prevent their inadvertent departure, in order to provide opportunities for adequate discussions between the two governments relating to the jurisdictional question in official duty cases.

"If the foregoing is acceptable to the Government of the Philippines, I have the honor to propose that this note and your note in reply confirming acceptance constitutes an agreement between our governments.

"Accept Excellency the renewed assurances of my highest consideration."

I am pleased to inform your excellency that the understandings contained in the above-quoted note are acceptable to my government, and that your Excellency's note above quoted and this reply thereto shall constitute an agreement between our two governments effective January 7, 1979.

Accept, Excellency, the renewed assurances of our highest consideration.

Signed Carlos P. Romulo, Minister for Foreign Affairs

*His Excellency
Richard W. Murphy
Ambassador of the United States
Manila*

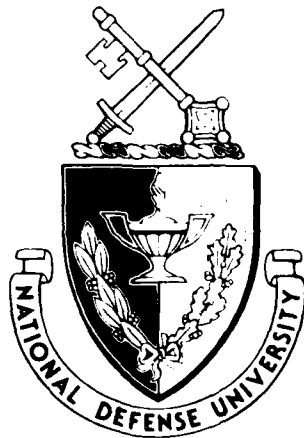
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